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Angolans' Report Of New Troop Push Denied by Pretoria

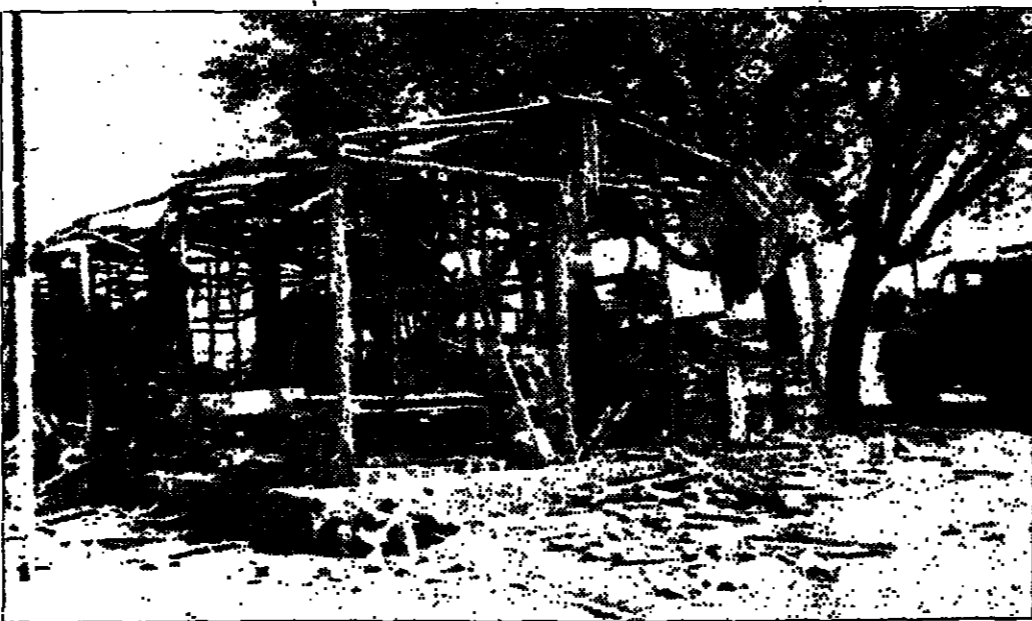
LISBON — South African troops have launched a new push into Angola's sparsely populated Cuando Cubango province, bordering South-West Africa (Namibia), official Angolan sources said Thursday in Lisbon. In Pretoria, however, a South African Defense Ministry spokesman called the report "ridiculous propaganda... obviously aimed at the special session of the United Nations on Namibia, scheduled to begin Thursday in New York."

Meanwhile, The Associated Press quoted a diplomatic source in Pretoria as saying Thursday that South African troops killed two Soviet wives in addition to two senior Soviet officers in the attack on Angola last week.

The source, who declined to be identified, said one of the women was married to one of the dead lieutenant colonels and the other to Sgt. Maj. Nickolay Fedorovich Pestrov, 36, who South Africa says was taken prisoner. The dead soldiers have not been identified.

The Angolan sources in Lisbon said South African ground forces were driving toward Mavinga, a major town in the vast, savannah-covered province in Angola's southeastern corner, about 186 miles (300 kilometers) from the border. The sources gave no details of the fighting.

The South African ministry spokesman refused to comment on previous statements that South African troops were withdrawing from Angola. He referred to a statement Wednesday by a pool of



A building near Cahama, in southern Angola, damaged during a raid by South African forces.

foreign reporters who said they believed all the South Africans had returned to bases in Namibia.

In Windhoek, Namibia, a South African military spokesman said the withdrawal of South African troops from Angola was virtually complete.

Thursday's emergency session of the UN General Assembly is being held at the request of African states growing impatient at stalled attempts to reach agreement on independence for Namibia.

In Copenhagen, a communiqué issued by the foreign ministers of Sweden, Norway, Denmark, Finland and Iceland called for an immediate pullout of South African troops from Angola and urged the UN Security Council to impose binding economic sanctions

against the Pretoria government "as soon as possible."

Quando Cubango province is adjacent to Cuanene province, into which Namibia-based South African forces launched a major incursion 11 days ago in a bid to wipe out bases of the South-West Africa People's Organization, or SWAPO, which is fighting South African rule in Namibia. The Angolan official sources in Lisbon said Cuando Cubango had frequently been the target of South African raids.

Meanwhile, fighting continued for the fifth consecutive day at Cahama on the main highway from Namibia to the southern Angolan city of Lubango, the sources said.

Angolan Interior Minister Alexandre Rodrigues said in a news-

Union Calls Strike Alert As Polish Views Harden

By Brian Mooney

WARSAW — The Solidarity union called a strike alert Thursday night in the central Polish region of Bydgoszcz as relations with the government worsened on the eve of the labor movement's first national congress.

The strike alert, which means the region's 350,000 workers will be prepared to stop work beginning Friday, was called to protest a prosecutor's decision to close a case in which local Solidarity members are alleged to have been beaten by police.

The decision to call the alert was made as the Communist Party announced measures for worker self-management that ignored Solidarity calls for factory autonomy and reasserted the party's right to control key appointments.

Kania Comments

Polish Party leader Stanislaw Kania told the policy-making Central Committee that Polish Communists would use all possible means to defend their system after the 200 members approved a resolution on the Communist version of worker self-management.

The Central Committee resolution pointed to major concessions in some areas. It said large factories would assume responsibility for their own finances, a departure from the orthodox centralized system of Eastern Europe.

But Mr. Kania made clear the limitations envisaged by the party when he said that managerial functions must be assumed by the most talented and outstanding persons who were devoted to Socialism.

The Communists would not give up their right to retain control over key managerial appointments, he said. "The party will not give up its cadre policy in state institutions. This stems from the party's historical responsibility for the country's development and for its Socialist shape," Mr. Kania said.

He pledged continuing allegiance to the policy of peaceful dialogue.

Soviet Maneuvers

Speaking at the end of a two-day session on the eve of large Soviet maneuvers near Poland, Mr. Kania also stressed that Moscow would not assume responsibility for the country's development and for its Socialist shape, Mr. Kania said.

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Russia Denies Threat In Military Exercises

By Dusko Doder

MOSCOW — The Kremlin on Thursday launched a bitter denunciation of Poland's independent trade union Solidarity and coupled the attack with an unprecedented media blitz about the forthcoming Soviet war games along the Polish border.

The media reports included the disclosure that reservists had been called up to bring the divisions involved up to full strength.

In a detailed ideological attack on the Polish union, the Soviet trade union daily Trud assailed Solidarity as an anti-Soviet position that wants to take political power and "restore capitalism."

Other newspapers, including the government daily Izvestia, devoted substantial space to the military maneuvers that are to begin Friday in Belorussia, Lithuania, Latvia, Estonia and the Baltic Sea.

Two-Pronged Warnings

But diplomatic observers said the two-pronged warnings suggest renewed Soviet pressure on Solidarity on the eve of the labor union's first congress rather than an impending military move to stifle Poland's reform process.

While the article in Trud represents a detailed restatement of Moscow's abhorrence of the very notion of independent unions in a Socialist state, it was nevertheless placed in a relatively minor daily rather than in the authoritative Communist Party newspaper Pravda.

Moreover, the secretive Soviet military establishment has taken the unprecedented step in publicizing what are normally regarded in the Soviet Union as state secrets.

Tass Disclosure

First, it was the official news agency Tass that disclosed that reservists had been called up. The account sought to suggest that the scope of the move was considerable by saying that many factories have pledged to meet their production norms although their personnel had been called to service.

On at least two occasions since the Polish crisis erupted a year ago, the Russian press is reported to have called up reserves. But in both cases this was handled as military secrets.

Other measures normally kept secret were announced Thursday.

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China Is Again Tinkering With Its System of Job Guarantees

Dismissals and Discipline of Workers Who Fail to Produce Are Being Tested

By James P. Sterba

PEKING — China is again tinkering with its system of guaranteed job and income security.

For several months, China's leaders have been experimenting quietly in dozens of factories with notions that workers who do not work should be subjected to pay cuts and, if that fails, be dismissed.

These ideas were put forward last week in a front-page article in the Communist Party's official newspaper, People's Daily, which leaders often use to signal policy changes.

The newspaper reported that since April 30 factories in Shanghai have been experimenting with forms of "labor discipline" in which unproductive workers receive a range of warnings, demerits and pay cuts eventually leading to dismissal. It did not say whether any workers had actually been dismissed.

Similar Experiments

Similar experiments elsewhere have been reported in the regional press in recent months. In the Shenzhen export processing zone for foreign investors near Hong Kong, managers have insisted, with mixed success, on the right to dismiss troublesome Chinese workers.

Combined with the introduction of bonus payments and piece-rate wages more than two years ago, the threat of dismissal, if expanded around the country, might affect the 100 million urban workers in much the same way that incentives and responsibility systems have done in the countryside for China's 800 million peasants.

Chinese leaders say the abandonment of egalitarianism in rural areas has stimulated agricultural productivity.

In some areas, the equivalent of family farms are back. The amount of land that can be used for private household plots has been increased from 7 percent to 15 percent. These and other rural incentive programs have greatly livened competition and increased production. Peking says the positive effects amount to its greatest success story in the post-Mao period.

Similarly transforming urban lethargy, however, appears to be a much more complicated and sensitive problem, since urban workers are more politically aware.

Factories Idled

China's severe economic retrenchment has shut down or idled thousands of factories, some because they were producing irrelevant products and others because they lacked supplies of energy and raw materials. As a result, millions of workers continue to draw basic wages while undergoing retraining or attending schools.

The unemployment figure hovers around 10 million, and each year nearly that many youths reach working age with no prospects for higher education. There is a hiring freeze in all central government factories and offices — siblings of ranking party officials are not affected by the freeze — and little new investment to build new factories.

Chinese officials have acknowledged a few cases of labor unrest, including work stoppages. But they clamped down hard last year on efforts by some local trade unions to act independently outside party supervision.

The government's main problem is to break the grip of

egalitarianism in the factories where those who loaf receive the same pay as those who work hard. In the past, hard workers were rewarded with certificates of merit, named "model workers" and occasionally rewarded with a paid vacation. Many workers found those rewards not worth the effort.

Bonuses, introduced in 1978, ran into the problem of deciding who should get them and how much they could get.

Piece-Rate System

The piece-rate system of wages was reintroduced in 1978 with much better results. Kang Yonghe, director of the State Bureau of Labor, announced last May that the State Council, China's Cabinet, had decided to expand piece-rate wages to "all factories, mines and enterprises where it is possible to do so."

Between 1949 and 1956, China expanded piece-rate pay to the point where 46 percent of industrial workers and 70 percent of construction workers were paid this way. But in the Great Leap Forward in 1958, the system was labeled "bourgeois" and egalitarianism was instituted. By 1960 fewer than 5 percent of the nation's workers were paid by piece rates.

When the piece-rate system was reinstated in 1978, there were some problems. Some factory managers feared that they would get into political trouble again for trying it despite Peking's approval.

The notion of dismissing workers is a delicate step beyond bonuses and piece-rate wages. Still, apparently for fear of discontent and unrest, Chinese officials have moved slowly in that direction.

Bonn Approves Austerity Budget

From Agency Dispatches

BONN — The Cabinet agreed Thursday on an austerity budget for 1982 following intense negotiations that threatened to unravel the 12-year-old left-liberal coalition.

Finance Minister Hans Matthöfer told reporters that the Cabinet of Social Democrats and Free Democrats had agreed on 1982 outlays of 240.77 billion Deutsche marks (\$99 billion), up 4.2 percent from 1981.

He said the total involved savings of up to 18 billion marks from earlier figures, largely through a program of spending cuts agreed upon by the coalition in July.

He said the budget, which is due to be presented to the Bundestag for approval on Sept. 16, also limits public borrowing to 26.5 billion marks, a reduction of nearly one-quarter from the figure expected for this year, in an effort to keep down interest rates.

The negotiations underscored differences between Chancellor Helmut Schmidt's Social Democratic Party and the smaller, more conservative Free Democratic Party of Foreign Minister Hans-Dietrich Genscher.

The Free Democrats had been pressing for reductions in various social welfare programs, such as unemployment compensation, despite opposition from the Social Democrats.

Military spending, at 43.8 billion marks was kept at a level set in July despite more recent Finance Ministry proposals for further cuts. Bonn was criticized by Washington after admitting at the time that it would not meet the NATO goal of a 3-percent increase after inflation.

Bonn has made it clear that the aim is to take pressure off the capital market, releasing more money for investment in the economy and promoting lower interest rates.

Generally Optimistic

Mr. Matthöfer said persistent high rates in the United States, which have helped to push up the bill for Bonn's borrowing in West Germany, had made budget corrections necessary. But he was generally optimistic about economic prospects next year.

Government goals included im-

proving West German industry's competitiveness, and further consolidating international confidence in the mark, he said. These in turn would help to prevent a repeat of last year's balance of payments deficit, which totaled a record 30 billion marks.

"The trend is very good," he said, noting a marked decline on the payments deficit in July. "If this continues we will be close to being able to say that we will have practically no payments deficit next year."

Agreement on the budget came only after the coalition partners decided to shelve disputed plans for an employment program. The Social Democrats insisted during the two-day Cabinet discussion on the right to revise the idea if unemployment increased sharply. Last month the jobless total reached nearly 1.3 million, the highest August figure in 29 years.

The Free Democrats, who had pressed for further spending cuts, made it clear in response that they would seek reductions in jobs.

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West German Chancellor Helmut Schmidt, right, spoke to Foreign Minister Hans-Dietrich Genscher at the start of a Cabinet meeting Thursday to decide on the federal budget for 1982.

Sadat Launches Crackdown; Hundreds of Foes Arrested

From Agency Dispatches

CAIRO — Egyptian police have arrested hundreds of Moslem hard-liners and politicians in a nationwide crackdown on critics of President Anwar Sadat, a government minister said Thursday night.

Mansour Hassan, minister of state for presidential affairs, said the total number of arrests in the past 24 hours went into hundreds. But he said he was unable to confirm a report that more than 600 were arrested.

Opposition parties and relatives said those arrested included members of the Moslem Brotherhood, mosque preachers, politicians, journalists and lawyers.

The crackdown, which berated

a tougher stand by Mr. Sadat against religious extremists and political opponents, was the biggest round-up since the 1977 food riots.

Among those reported arrested were Omar Telemessani, spokesman for the Moslem Brotherhood; Fuad Serag Eddine, leader of the now dissolved New Wafd Party; and Helmi Murad, a former education minister who has assailed Mr. Sadat's policy of peace with Israel.

Death Toll Disputed

Sheikh Kishk, a blind Moslem preacher with a big popular following, also was detained, the opposition parties said.

The Interior Ministry said that

support. "I am afraid of nobody, only God," he added.

Spokesmen for Egypt's two legal opposition parties, the Socialist Labor Party and the leftist Unionist Progressive Party, said that those arrested included party members not involved in the religious strife.

The Interior Ministry said Mr. Sadat would "explain all the facts" in a major speech Saturday, when he is expected to announce measures to defuse tension between Moslem fundamentalists and Christian Copts.

Recent events have increased the apprehensions of the Copts, who are said to number about 6 million, because many of the

leasts fervently handed out at Moslem prayer rallies denounce the Copts as "conspirators" while they castigate Mr. Sadat for signing a peace treaty with Israel.

[Anis Mansour, editor of the influential magazine October, said a few days ago that Mr. Sadat's move on the growing sectarian strife "will probably be the most serious, comprehensive and epoch-making stand he has adopted on a national issue." The New York Times reported.]

According to aides, Mr. Sadat had been working on the measures all week after studying internal security reports. He has summoned Egypt's provincial governors and religious leaders to hear his speech.

Vatican Reported To Suspect KGB In Pope Shooting

The Guardian

LONDON — The Vatican has informed the Reagan administration that it believes the Soviet KGB was involved in the attempted assassination of Pope John Paul II.

The accusation is reported to be taken seriously in Washington. It has been discussed by senior political figures and analyzed by the CIA and the National Security Council, but American intelligence specialists have reached no judgment on the evidence.

The suggestion that the Soviet Union was linked to the attempted murder of a Polish pope has strengthened the belief among some defense and intelligence analysts that Russia intends to intervene directly in Poland at some stage.

A British television program also reported Thursday night from Rome that both the Vatican and the Italian security services suspect KGB involvement in the shooting in St. Peter's Square on May 13.

The program also included photographs suggesting that the Turkish gunman, Mehmet Ali Agca, was accompanied by another armed man at the time of the shooting.

Other Developments

In other developments, strikes and protest actions were reported in several parts of the country, and for the first time, there were reports of farmers taking over state land.

The government's chief union negotiator, Deputy Premier Mieczyslaw Rakowski, told a news conference that he was confident moderates would emerge on top at the Solidarity congress.

Poland's greatest achievement since the birth of Solidarity more than a year ago was to have held on to the policy of peaceful dialogue through successive crises, Mr. Rakowski said.

In another development, officials of the anti-Communist opposition group, the Confederation of Independent Poland, said the movement was setting up branch offices in several parts of the country.

Spanish Socialists Air NATO Plan Objections

By James M. Markham
New York Times Service
MADRID — Felipe González, the Socialist leader, on Thursday launched his party's campaign against the government's proposal to bring Spain into the North Atlantic Treaty Organization, which is expected to be put to a vote of parliament later this month.

"Up to now, no one has been able to demonstrate that the security of Spain will be greater as a result of joining NATO," said the 39-year-old Socialist chief, who criticized Premier Leopoldo Calvo Sotelo on grounds of failing to explain possible advantages of the alliance to the country.

Both the Socialists, the main opposition grouping, and the Communists oppose the government's decision to make Spain the 16th member of the Atlantic alliance. But Mr. González has carefully modulated his opposition to NATO membership to avoid accusations that his party is neutralist or anti-Atlanticist.

"Not Against NATO"
"I must make clear that we are not against NATO," Mr. González told a news conference. "We are against the entry of Spain to NATO. We do not aim to alter the world order. We want to diminish international tensions."

Through a limited campaign of billboards and speeches, the Socialists are collecting signatures to demand that the NATO question be put to a national referendum — an idea that Mr. Calvo Sotelo has firmly rejected. The NATO issue has aroused little passion in Spain, and many politicians consider Mr. González's opposition somewhat testimonial.

The government, which controls roughly 165 seats in the 350-member lower house, has lately shown signs of unease over the parliamentary logistics of the NATO question. Before the August vacation break, government strategists seemed confident of securing the votes of the conservative Democratic Coalition as well as those of moderate Basque and Catalan regional parties in support of the Atlantic alliance.

Basque Nationalists
But the middle-of-the-road Basque Nationalist Party has lately been angered by Mr. Calvo Sotelo's seeming coolness to home rule, while the resignation this week of Justice Minister Francisco Fernández Ordóñez has raised doubts about the solidity of the ruling Union of the Democratic Center's bloc of 165 seats.

Mr. Ordóñez is the standard-bearer of the government party's self-styled "social democratic wing," which in June broke party discipline and joined the Socialists in strengthening a milestone divorce bill. Both Mr. Ordóñez's disaffected group and another fac-

Spain Hears Tale of Botched Coup

By James M. Markham
New York Times Service
MADRID — If Gen. José Juste had not been wearing combat fatigues on Feb. 23, would Spain today be a military dictatorship?

Spaniards have had the occasion to pose this and a few other unsettling what-ifs and might-have-beens of history after a summer of pre-trial newspaper leaks of the testimony of soldiers caught up in February's unsuccessful coup d'état.

But the deluge of leaks, started by defense lawyers for some of the 32 officers accused in the plot, appears to have backfired against its authors. Instead of high-minded patriots, the defendants emerge from their extensive testimony as incompetent and undecided plotters, unwilling finally to assume responsibility for their botched enterprise.

And, with their court-martial nearing, the principal defendants have failed to marshal any proof for their contention that King Juan Carlos I was somehow involved in the plot. The weight of testimony makes it clear that the monarch was surprised by, and scuttled, the rebellion.

11 Reported Killed in Iran in Gun Battles With Rebels; Majlis Approves New Cabinet

From Agency Dispatches
BEIRUT — At least 11 persons were killed in two gun battles between guerrillas and security forces in Tehran on Thursday, and the parliament confirmed Iran's new government in office, Tehran Radio said.

The radio said that, in one battle, Revolutionary Guards raided a hideout of the Islamic-Marxist Mujahaddin Khalq in south Tehran on Wednesday night and captured the building after an eight-hour battle.

The radio said seven guerrillas and one guard were killed. The broadcast said the guards arrested three persons and found detailed maps of the premier's office in Tehran, where President Mohammed Ali Rajavi and Premier Mohammed Javad Bahonar were killed in a firebombing Sunday.

The state radio also said that "three armed terrorist agents" riding in a car were killed in a south Tehran gunfight.

Tehran television reported that 101 "counterrevolutionaries" most of whom it described as members of the Mujahaddin, have been executed this week.

Joint Accord Worked Out On Cambodia

Sihanouk, Son San Prepare Declaration
SINGAPORE — Two non-Communist Cambodian resistance leaders announced Thursday they had worked out a joint declaration outlining a program for common action against Soviet-backed Vietnamese forces in their homeland.

The declaration, drafted by the former head of state, Prince Norodom Sihanouk, and Son San, head of the Khmer People's National Liberation Front, will be presented when they meet the Khmer Rouge leader, Khieu Samphan, here Friday.

Son San said the statement would stress the will of the three groups to cooperate and lay the foundation for further negotiations leading to a united front.

Neither Prince Sihanouk nor Son San, who had served as his premier, disclosed details of the declaration but they indicated they did not expect any serious opposition from the Khmer Rouge.

Son San made clear that the front would not drop its main conditions for joining a coalition with the Communist Khmer Rouge for fear it would lose popular support.

The front has demanded all key portfolios in a coalition as well as accelerated military aid to strengthen its own forces and the voluntary exile of a number of discredited Khmer Rouge leaders.

Son San declined to say whether all his demands would be included in the joint declaration. He also declined to comment on Khieu Samphan's proposal to form a loose coalition that would allow the resistance groups to maintain their separate political identities and freedom of action.

He said the joint declaration of intent, setting their basic goals, would help current efforts to reinstate the UN seat held by the ousted Khmer Rouge government, known as Democratic Kampuchea.

Seat at UN
"The important thing is to prevent the UN seat from falling into the hands of Heng Samrin," he said. Heng Samrin was installed as president in Phnom Penh after the Vietnamese military intervention in Cambodia in 1979.

Vietnam, which has about 200,000 troops in Cambodia, has rejected UN appeals to withdraw, saying that its soldiers will remain there as long as there is a "Chinese threat."

Meanwhile, the Kampuchean news agency, SPK, dismissed the meeting of the resistance leaders as a "new piece of theater created by Peking and Washington."

It said the Singapore conference was an effort to fool world opinion.

WORLD NEWS BRIEFS

Black Guerrillas Slay 4 in S. African Enclave
JOHANNESBURG — About 40 black nationalist guerrillas attacked a rural police station in Bophuthatane Wednesday night and killed two policemen and two civilians, including a 3-year-old child, police said Thursday.

The raiding party was believed to be one of the largest to attack a target inside South Africa or its enclaves Transkei and Bophuthatane, which are independent tribal homelands within South Africa.

The raiders struck shortly before midnight and hurried grenades to the compound before charging and firing Soviet-made AK-47 assault rifles. After hitting the police station, the guerrillas fired hundreds of rounds at the village magistrate's court before fleeing, some on foot and others by car, police said.

Car Bomb in Damascus Is Reported to Kill 20
BEIRUT — A booby-trapped car exploded near the Syrian Air Force headquarters in a crowded Damascus neighborhood Thursday, killing at least 20 pedestrians and wounding 50, travelers arriving here reported.

The travelers, including Western diplomats, said the blast occurred 11 a.m. The area was immediately cordoned off by security forces. Ambulances rushed the wounded to hospital. The area remained closed to civilians until nightfall, they said.

The diplomats said the bomber went off after a train drove the car into a lot in front of the building, climbed out and then started running. Guards ordered him to stop. When he failed to do so, the car was opened fire, killing him. It was at this moment that the car exploded.

Carter Supports Reagan on Neutron Bomb
OSAKA, Japan — Former U.S. President Jimmy Carter, who opposed the neutron weapon during his administration, said Thursday that he "not disagree" with the decision of his successor, Ronald Reagan, to manufacture it.

At a news conference after his arrival in Osaka from China, Mr. Carter said the Soviet intervention in Afghanistan and Moscow's encouragement of Vietnam's invasion of Kampuchea [Cambodia] had turned his commitment to arms reduction into a "fruitless search" for a Moscow's SS-20 bombers as a new threat to the military balance.

"I do not disagree with President Reagan's decision, but I hope to trust the Soviet Union will be willing to terminate its aggression and engage in the peaceful control of nuclear weapons," Mr. Carter said. He said at least three nations are developing the neutron warhead, but the United States and the Soviet Union, but not the third nation.

4 Soviet Ships Close to U.S.; 'Test' Suspected
WASHINGTON — The Soviet Union has sent a small force of ships within 200 miles (320 kilometers) of the U.S. Pacific coast, possibly to test the reaction to Soviet presence near American waters after the downing of two Libyan jets last month, a Navy spokesman said Thursday.

The Soviet guided missile cruiser, two guided missile frigates and supply ship were 200 miles off the coast of Coos Bay, Ore., the spokesman said. The two U.S. Navy jets that shot down two Soviet-made byan planes off the coast of Libya on Aug. 19 were within a 200-mile area that Libya claims — a claim disputed by the United States.

The Soviet ships were steaming south with a U.S. destroyer, the USS Fife out of San Diego, and two Canadian ships shadowing the Soviet spokesman said. "It looks as if they're there to test international waters," he said. The ships were spotted in the Gulf of Alaska last Friday by U.S. Coast Guard cutter, the spokesman said.

Budget Approved in Bonn
down the controversy and told porters: "There was no tension between the coalition partners and me personally... Why should I argue with anyone?"

Parts of the employment program were incorporated in budget changes agreed upon during the cabinet meeting. Mr. Matthofer said Bonn would pay extra money into several including the railways and the microelectronic industry. The budget would go in aid to the industry.

The budget announcement has no obvious effect on the West German currency's performance against the dollar in Frankfurt foreign exchange trading.

Economy Seen Factor in Soviet Restraint

WASHINGTON — The Soviet Union has refrained from invading Poland at least partly because military action could harm its own already troubled economy and those of its East European allies, according to a Defense Intelligence Agency study.

In addition to the destruction in Poland itself that might result from a war, the likelihood of disturbances in other Communist nations would be very high "as consumer supplies disappeared," the study said.

Poland is an important supplier for East Germany, Czechoslovakia and other Soviet-bloc nations. "The Soviet leadership appreciates the incalculable costs that would be incurred by a military invasion of Poland," the study said.

The agency is the intelligence analysis arm of the Defense Department. Its survey was presented at a closed-door hearing to the congressional Joint Economic Committee in July, and a declassified version was made public Wednesday.

The study said the Soviet Union itself depends on Poland for large shipments of machinery, consumer goods and copper, and an invasion followed by Polish resistance would cripple production.

In addition, the West might react to an invasion with strict trade embargoes, halting shipments to the Soviet Union, which is suffering its worst food shortages in 20 years.

Prospects for economic hardships throughout Eastern Europe, coupled with the likelihood of an upsurge in military spending by the Western allies, "have figured prominently in the Soviet decision to show an unprecedented degree of forbearance toward Poland," the study said.

Begin's Coalition Feuds Over Excavations

JERUSALEM — The growing feud between Israeli politicians and Jewish religious leaders over an archaeological dig in Jerusalem flared Thursday into a direct clash between partners in Prime Minister Menachem Begin's coalition government.

The ultra-religious Aguda Israel party threw its weight behind Orthodox Chief Rabbi Shlomo Goren in demanding that excavations to uncover the Biblical city of King David be halted. Rabbi Goren says the dig is desecrating a Jewish cemetery and he has threatened to order all religious Jews to ostracize Education Minister Ze'evulun Hammer if he allows it to continue.

"Unhealthy Atmosphere"
Rabbi Goren's threats have alarmed ministers in Mr. Begin's Cabinet. Thursday, Communications Minister Mordechai Zipori, interviewed in the Jerusalem Post, threatened to introduce a bill to

prevent rabbis interfering in non-religious matters.

"The unbridled intervention of Chief Rabbi Goren has introduced a very unhealthy and unpleasant atmosphere into our national life," Mr. Zipori said. "It would be best if the rabbinate confined itself to pursuits which are its legitimate territory. It has no business in

spheres which concern the state and the way they are governed."

Mr. Zipori and other ministers members of the Begin government regard archaeology as a way of proving and strengthening the links with the land of Israel. Orthodox groups, who they are backed by anti-Zionists, do not

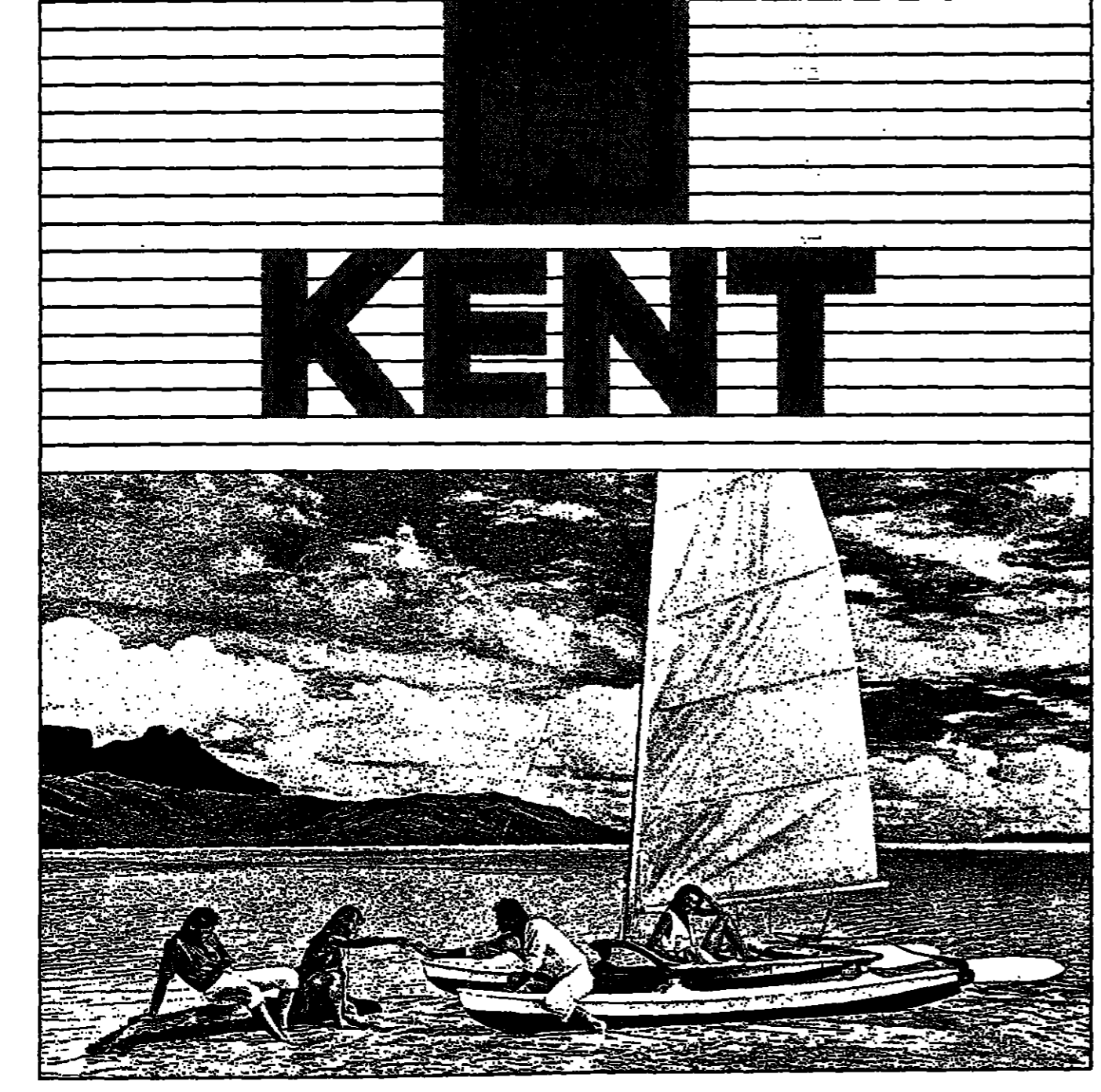
The row over the King David dig has also spread into a clash between the Moslem authorities of the al-Aqsa mosque and the Orthodox Jews. On Tuesday, two Arab workers were hurt in a fight between Moslems and Jews in a tunneling the al-Aqsa area to the Temple Wall, one of Judaism's holiest shrines.

Police blocked the workers Wednesday, but on Thursday shopkeepers in Arab Jerusalem went on strike to protest the incident.

Work on the King David excavations stopped Wednesday when Mr. Hammer signed an order suspending them for two weeks.

The archaeological dig was the first there was never a Jewish cemetery on the site of the dig, but he appealed the order in the Supreme Court, which is to rule on the matter Friday.

MEMORIAL NOTICE
For the first anniversary of the death of COMTE DE BOISHERVILLE...



Fresh. Calm. Mild.
KENT. The taste you'll feel good about.
The mild International cigarette.
Famous Micronite filter.

1980 BSWT Co

Reagan Officials Now Pessimistic On Chances for Balanced Budget

By Edward Cowan
New York Times Service
WASHINGTON — With high interest rates jeopardizing prospects for a surge in business investment, some administration officials have begun to acknowledge privately that the economy in 1982-1984 may be less exuberant than the administration has forecast.

In part for that reason, officials say, President Reagan's goal of a balanced federal budget by 1984 is unlikely to be realized. Consequently, a shift in the way officials talk about the fiscal outlook is occurring. Instead of predicting for 1984 the first black-budget result since 1969, officials are emphasizing the trend toward smaller deficits.

Pool of Savings
"Politically all that you need to show is that the deficit is not rising but is diminishing through time," says Paul C. Roberts, the Treasury's assistant secretary for economic policy.

Mr. Roberts said that the administration needed to stress not only that the deficit would shrink in absolute size in 1982-1984 but also that it would decline in its relation to a growing pool of savings by business and individuals, the leaders who finance federal deficits.

Similarly, a budget official said, "The capital market problem will be solved if we have a decisive downward trend." He was referring to the renewed skepticism in the financial community about a drop in federal borrowing following the enactment of the tax-relief bill. That skepticism has been reflected in falling bond and stock prices and near-record bond yields to lenders.

The administration has been moving toward acknowledging that the July forecast of a \$42.5 billion deficit in fiscal year 1982, which starts Oct. 1, was probably too low. The White House said Tuesday that it would be difficult to achieve.

Congressional experts say privately that a 1982 deficit of \$58 billion to \$60 billion is "almost locked in." Alice M. Rivlin, director of the Congressional Budget Office, was expected to testify along this line before the House Budget Committee Thursday.

Outlays Compared
In the midyear budget review in July, the administration forecast spending in fiscal year 1982 at \$704.8 billion, as against outlays of \$661.2 billion in fiscal 1981, which ended Sept. 30.

The administration has begun its first comprehensive review of the economic outlook since the optimistic forecast, or "rosy scenario," of last February. More likely than not, according to Jerry L. Jordan, a member of the Council of Economic Advisers, the review will result in a scaling down of the earlier predictions of economic activity for 1982 and possibly beyond.

Mr. Jordan added, however, that slower economic growth in 1982

might lead to a stronger increase in 1983. Lower estimates of the gross national product, the sum of all business activity, imply lower federal revenues and larger deficits.

Some administration fiscal experts describe the probable scaling down of the GNP as "a paradox of success." They explain that the revision is due to the Federal Reserve's shift toward slower growth of the money supply. The administration has encouraged slower expansion of the money supply as essential to fighting inflation.

Alan Greenspan, the New York economist who played a central role in shaping the administration's February forecast, has turned less bullish. "Our forecast is that this economy is dead flat into the spring," he said by telephone.

He said that with high interest rates "hanging in there longer than we had projected," the "capital goods markets are not moving enough to create significant strength in the first quarter" of 1982.

Mr. Greenspan said he saw the change in GNP for the third quarter of 1981 as "very close to zero." The economic figures for July, he said, were below the second-quarter level.

Asked if he, like the administration, predicted a positive fourth quarter, Mr. Greenspan replied, "If it is, not by much." Murray L. Weidenbaum, chairman of the Council of Economic Advisers, also has said, in a slight departure from the official line, that there might be no upturn until 1982.

Budget officials in the administration and in Congress have been stressing in private conversations that unless Congress restrains rises

in military spending and makes further cuts in nonmilitary spending, there could be huge budget deficits in 1982-1984.

David A. Stockman, director of the Office of Management and Budget, was reported to have said that the 1984 deficit could climb as high as \$90 billion if the economy is much worse than the administration has predicted and if Congress refuses to cut spending.

"I can easily imagine it," commented a Stockman aide, who said he would neither confirm nor dispute the reported statement.

However, the experts regard lower figures as more likely. Mrs. Rivlin is expected to testify that the deficit will decline in 1983 and again in 1984. The deficit in fiscal 1981 was officially estimated in July at \$55.6 billion.

U.S. Surgeon General To Be Nominated Soon

WASHINGTON — The long-stalled nomination of Dr. C. Everett Koop to be the U.S. surgeon general is expected to be sent to the Senate within the next couple of weeks, according to an administration spokesman.

Dr. Koop, a leading children's doctor and an abortion opponent, is deputy assistant secretary of the Department of Health and Human Services. The nomination of the 64-year-old physician to be the country's top doctor was blocked until a legal amendment in July raised the maximum age for surgeon general.

Court Says FAA Exceeded Law on Foreign DC-10s

WASHINGTON — The Federal Aviation Administration exceeded U.S. law and international agreements when it grounded foreign-owned DC-10s following a DC-10 crash that claimed 271 lives in Chicago in May, 1979, a court has ruled.

In a 3-0 decision Wednesday, the U.S. Court of Appeals said the FAA should have permitted operations of foreign DC-10s once the nations involved inspected their planes and certified them as airworthy. The court said its decision would apply to future actions by the FAA.

After two weeks of investigating the safety of DC-10s following the crash, the FAA decided on June 6, 1979, to prohibit operation of all U.S. and foreign-owned DC-10s.

Writing for the court, Judge Roger Robb said, "Failure to observe the minimum safety standards in issuing airworthiness certificates is the only ground on which one country may question the airworthiness judgment of the country of registry."

Police Defuse 2 Bombs Found Under Cars at UN

NEW YORK — Police have defused two small gasoline bombs that were planted under cars believed to belong to members of the Soviet Union's mission to the United Nations.

A man identifying himself as a member of the militant Jewish Defense League said the organization had planted the devices.



The Chicago police holding back demonstrators outside Palmer House hotel where President Reagan addressed a GOP fund-raiser. Mr. Reagan ended a month's vacation in California.

White House Officials Challenged By Weinberger on Spending Cuts

By Michael Getler
Washington Post Service
HONOLULU — Defense Secretary Casper W. Weinberger has directly challenged the assessments of White House officials who claimed earlier this week that President Reagan is prepared to cut as much as \$30 billion from projected military spending increases.

At an airport news conference Wednesday, Mr. Weinberger said "we haven't had any indication there will be any big reductions coming in the military budget."

He noted "a lot of rumors" and there are always a lot of reports around this time of year. But until the president makes his decision, we don't know if there will be any necessary for any major revisions in the Pentagon's \$1.6-trillion, five-year spending plan.

Reminded that White House chief of staff James A. Baker 3d and other civilian aides had talked publicly about being prepared to cut \$30 billion in military outlays, Mr. Weinberger pointedly noted that "there are several voices in the White House. I have talked to some people and they have assured me explicitly that no decisions have been made."

Budget Priorities

Asked if he was suggesting that Mr. Baker may have made his remarks without consulting the president, Mr. Weinberger said, "I just don't have any idea what the situation might be or might have been."

Mr. Weinberger, who arrived here for a speech to an American region convention Thursday, said that other parts of government obviously have budget priorities and all of them have to be fitted together.

"We all have our ideas of what are the highest priorities," he said, "and I think there cannot be any higher priority than the appropriate strength of the nation. We aren't going to have much of an economy if we don't have a strong nation."

A senior defense official who was traveling on Mr. Weinberger's plane said President Reagan had not told Mr. Weinberger there must be cuts in the Pentagon's planned budget.

Despite what the official described as "a lot of discussion" at the western White House headquarters in recent days, "I guess we are in a situation where we'll have to wait until all the facts are in."

President Reagan said in Chicago Wednesday night that his willingness to trim projected military spending by as much as \$30 billion in fiscal 1983 and 1984 is not a threat from his goal of a rapid buildup of U.S. forces, and he issued a tough warning to the Soviet Union about future arms negotiations.

Speaking at a Republican fundraiser, Mr. Reagan said that unless the Russians are willing to accept a legitimate, verifiable arms reduction, they will be in an arms race which they can't win.

He said later that he was not preparing Russia and was not prepared to insist that on-site inspection verify any arms treaty.

Mr. Reagan said the military budget would not be spared future cuts but added, "That does not mean we are retreating from the program we adopted of an annual percent increase in defense spending to restore our defensive capability and close that window of vulnerability that has been opened in recent years with the security of the Soviet forces."

He said the United States would give the Soviet Union to discuss a reduction but warned that his administration would insist on verifiable reductions and back that with a powerful military force.

The comments of the senior Pentagon official, who said specifically he was not bitter at the public attacks of Mr. Baker, underlined deep divisions within the administration over the military.

S. Motorist Charged With Threat to Reagan

BALTIMORE — An armed-motist stopped on a routine traffic violation has been charged with threatening the life of President Reagan, federal officials said.



Republican Gov. James R. Thompson of Illinois listened as President Reagan addressed a Republican fund-raiser in Chicago.

budget which Mr. Reagan has termed one of his "overriding priorities." Mr. Weinberger is expected to make a spirited defense of his five-year plan, especially the programs he considers essential for "rearming America as strongly as possible."

Mr. Baker's remarks were repeated by deputy White House press secretary Larry Speakes on Tuesday, providing additional indications that the White House was indeed leaning toward substantial reductions in the rate at which the Pentagon's budget will increase.

Wednesday's comments raise the possibility that the Pentagon, including Mr. Weinberger, had not been made aware of the president's inclinations or that White House officials spoke prematurely.

'Preliminary Material'

The senior Pentagon official said he expected the president would decide on the military budget question within a week or two and that Mr. Weinberger expected to have an opportunity to present his case to the president before then.

In Chicago, White House officials said that Mr. Weinberger had not yet submitted his recommendations on how to reduce projected military spending for fiscal 1983 and 1984.

Mr. Weinberger's report, originally expected Wednesday, may reach President Reagan in Washington Thursday, Mr. Speakes said ahead of Air Force One.

He also said Mr. Weinberger now intends to submit only "preliminary material" rather than a full set of recommendations.

The deputy press secretary reiterated there have been "no decisions at all" about cutting military spending for fiscal 1982. He said the administration probably will wait until the appropriations process is concluded in Congress before making decisions.

Mr. Speakes added that he could not confirm reports that the administration also will fire about

100,000 U.S. employees in fiscal 1983 and 1984. "It has always been our goal to reduce federal employees," he said.

Letter From Legislators

WASHINGTON (AP) — Five Republican legislators representing Northeast and Midwest districts said in a letter to Mr. Reagan that a reduction in 1982 military spending "is necessary for your overall economic program to succeed and for maintaining the support of the American taxpayer."

Aides said they expected other members of Congress to endorse the letter, which was made public Wednesday. Mr. Reagan needed the near-unanimous support of outnumbered Republicans to win earlier tax and budget victories in the House and significant GOP defections in future budget battles could lead to defeat for the president.

N.Y. Opera Killer Given 20 Years

NEW YORK — Craig S. Crimmins, the Metropolitan Opera House stagehand who was convicted of murdering a violinist there last summer, has been sentenced to 20 years to life in prison. He will not be eligible for parole until he has served 20 years.

In sentencing Mr. Crimmins for the slaying of Helen Hagnes, Acting State Supreme Court Justice Richard G. Denzer rejected written entreaties of nearly 100 relatives and friends of Mr. Crimmins for the minimum term of 15 years to life.

Given his chance to address the judge, Mr. Crimmins rose and said: "I want to thank my parents, my girlfriend, Mary Ann, my family and friends for all their support and I hope to be able to return home someday to repay them."

Mr. Crimmins' lawyer said he plans an appeal.

Reagan Promises Unions to Respect Bargaining Rights

CHICAGO — President Reagan, winding up a month-long vacation, promised a union audience Thursday that he will not fight inflation by attacking labor's "sacred right" to negotiate better wages.

But the president, in a speech to 2,500 members of the United Brotherhood of Carpenters and Joiners at their 34th convention, took pains to draw a distinction between private and public unions, such as the striking Professional Air Traffic Controllers Organization.

Mr. Reagan's speech was received politely. In contrast, the labor audience later gave the Democratic Party's national chairman, Charles T. Manatt, thunderous applause for criticizing the president's "anti-union" administration.

It was the first speech by Mr. Reagan to a union audience since he addressed the Building Trades Council on March 30 — the day he was shot. He promised "straight talk" and "an open door" to labor from his administration.

Population: 4.495 Billion

UNITED NATIONS, N.Y. — UN statisticians have issued their latest estimate of the world's population: 4.495 billion midway through 1981, compared with 4.415 billion a year earlier.

Bombings in Lima Tied to Drug War

LIMA — Peruvian President Fernando Belaunde Terry said that recent bomb attacks against the U.S. Embassy and the ambassador's residence in Lima could be responses to U.S. anti-drug programs.

Seven bombs exploded in Lima Monday, killing two persons at a private home and causing damage at the U.S. Embassy, the official residence of Ambassador Edwin G. Corr and four buildings housing companies with U.S. affiliations.

Police said they found a clandestine cocaine laboratory at the home where the two deaths occurred. "It is very probable that there is some relationship with agreements signed with the United States to combat the drug traffic," President Belaunde said Wednesday.

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Paris Conference.

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INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

Deciphering Arms Limit Talk

There is no more arcane language in diplomacy than that used by arms-control specialists...

Lestie H. Gelb of The New York Times is such a journalist. He has been involved in arms control as a government official...

Mr. Gelb, naturally, recognized an important story. The Soviet Union has consistently opposed on-site inspection on the ground...

if the Soviet Union were to agree to on-site inspection, an important step would be taken...

As soon as Mr. Gelb's article appeared (Herald Tribune, Sept. 3), the part about on-site inspection was denied by Dean Fischer...

Both the level of Mr. Gelb's experience and the nature of the denials strongly suggest that if "on-site inspection" was not explicitly mentioned...

INTERNATIONAL HERALD TRIBUNE

Dollars for Defense

U.S. presidents detest changing their minds in public. But, awkward though the exercise might be...

The administration apparently intends to launch a Social Security bill soon after Congress reconvenes next week...

The changes announced this week won't make much difference in spending during 1982. The defense budget runs with tremendous momentum...

For the fiscal year 1984, the White House is evidently now proposing a level of defense spending that is almost exactly the same as that in the Carter budget last January...

rate of increase down to about 6 percent, the track that the Carter administration was on. No doubt some of the Democrats will charge him with copyright infringement...

The White House is inclined to blame this revision on poor performance by the American economy. That is one accusation the economy does not have to bear...

U.S. defense policy has repeatedly got into trouble by putting too much emphasis on budget totals, and not nearly enough on how that money will be spent...

THE WASHINGTON POST

Speer, Hess and Punishment

In an era when confession to sins real, imagined or as yet uncommitted is common, Albert Speer, the only Nazi leader tried at Nuremberg to admit guilt...

West wrote of Speer's companion at Spandau prison, Rudolf Hess. Hess, now 87, is still there. Speer, of whose sanity there has never been doubt, was released 15 years ago.

Since then he had lived in the country with his wife, and his memoirs made him rich. When he died this week at the age of 76, he was in London preparing for a television interview.

Although Speer claimed to know little or nothing of the death camps, he knew Adolf Hitler very well, and in him this Faust found his Mephistopheles.

THE NEW YORK TIMES

In the International Edition

Seventy-Five Years Ago

September 4, 1906

CAIRO — Preparations are on foot to make ready the family vault for the body of Prince Mohammed Ibrahim, whose sudden death in the automobile accident near Cherboug has so profoundly moved the whole of Egypt.

Fifty Years Ago

September 4, 1931

BELGRADE — The long-expected return to constitutional government, which King Alexander promised on Jan. 6, 1929, materialized for Yugoslavia last night. The monarch had said it would take place as soon as he considered obstructionist politicians had been sufficiently chastened to be fit once more to value the instrument of government when placed in their hands.



Erosion of U.S. Position on El Salvador

By Philip Geyelin

WASHINGTON — The bottom is beginning to fall out of the Reagan administration's heavy investment in El Salvador. The evidence is all around: in the title of battle for the terrorism...

But nowhere is it more telling than in the administration's own response to assorted adverse turns. When the leftist guerrillas take to economic warfare...

Threats From Haig

When the rebels demonstrate growing inside strength, in all corners of the countryside, it's a measure of nothing more than increasing Soviet-Cuban support from outside...

When U.S.-supplied helicopters break down or get shot up, so that all 10 already on hand often are grounded at the same time, the answer is to send four more.

The policy, we are told, is under "review." But the emerging fixes add up to nothing more than more of the same: more aid, more concentration on the external content of the conflict...

Hence the administration's bitter private re-

sentment — and public playing down — of the joint decision by France and Mexico to recognize the various diffuse and sometimes divided revolutionary movements and guerrilla groups as a "representative political force."

Central Weakness

Perhaps so — up to a point. But the effect is no less damaging to the administration's cause, or to the position of the Salvadoran government, on that account.

It is a strategy which is, at once, very simple and very cynical. It rules out negotiations with the rebels for a share of power they "have not been able to win on the battlefield," in the words of Thomas O. Enders...

And it does not rest on hopes of total military victory. Rather it hangs heavily on elections scheduled for the next March for a new constituent assembly, and a "new" government. The catch is in who will be permitted to participate.

What this means is that precisely the opposition movements recognized by France and Mexico would be disenfranchised, either for lack of formal organization, either technically

or by their own choice — a choice richly informed by a dismal record of past El Salvadoran elections. Under the malign control of the military, only an outcome tolerable to the entrenched oligarchy has traditionally been allowed to stand.

"There's where I have my real problem with the administration approach," says Rep. Stephen J. Solari, a Democrat from New York, one of the leaders of a growing swarm of congressional critics...

That's the point the French and Mexicans are making. Their declaration to the UN Security Council seeks not a "settlement," but a "process of political solution," a "new internal order" in which the armed forces "will be restructured and the conditions created for the respect of popular will."

Sharing the Risk

If that's what the administration really wanted, it would embrace the French-Mexican initiative, thereby sharing the burden — and the risk — and neutralizing the acid test it has unwisely made of El Salvador.

The elections, of course, will produce no such conclusive test. The way the stage is set, they will merely provide synthetic and transitory reinforcement of an increasingly dismal status quo.

©1981, The Washington Post

Austria: Steady in an Unbalanced World

By C.L. Sulzberger

LANGAU BEI GAMING, Austria — It is arguable that the Austrian people have never had it so good as now despite a catastrophic 20th century which saw this nation lose two devastating wars, co-opted into Hitler's pan-Germany...

This minstate replaced a vainglorious imperialism including Hungary, Czechoslovakia, part of Poland, Romania and Italy, plus a chunk of Yugoslavia all the way down to Montenegro.

Anyone driving around the rump remnant must nevertheless be impressed by the success with which today it faces world problems, keeping its population healthy, prosperous and employed.

Sharp Contrast

In such respects Austria is in sharp contrast with contemporary Britain, vestige of an even more enormous empire, which is continually preoccupied with tussle and angry economic, labor-capital, racial, separatist and terrorist problems.

The number of ethnic Austrians has changed little this century. There were 6.4 million in 1919 when the Habsburg-ruled agglomeration was split up; there are about 7.5 million today.

In real money values this country's gross domestic product has multiplied three-and-a-half times since 1955 when Soviet and Allied occupying troops withdrew under the State Treaty and the independent Austrian republic regained control of its destiny.

During that period the federal budget rose 20-fold. Yet unemployment, a world bogeyman, has declined from 5.4 percent in 1955 to a predicted 2.3 percent in 1981.

For Austria, this year's forecast inflation rate is high — 7 percent. Yet its trade balance is healthy, thanks in part to foreign tourism. More than 70 percent of Austrian foreign commerce is with Western countries and only about one-sixth of that with the East.

Austria is by choice "permanently neutral," though, unlike Switzerland, it belongs to the United Nations. It has gone out of its way to keep good relations with uneasy Eastern Europe, but accepts a large share of political refugees from that area.

While inadequately known, this record is impressive. Britain has more than a 12.5 percent jobless rate of whom 900,000 are teenagers. Yes, Britain was victorious in both wars while Austria lost both, and its empire.

The contemporary Austrian reality is quite distinct from its roster of impressive cultural memories in the realm of music, drama and literature under the Habsburgs. This republic is no mere suburb of grandiose Vienna.



Bruno Kreisky

In fact, although the capital claims many glories within the famed "Ring" of avenues gracing its heart, the intellectual stimulus of living there now is about equivalent to inhabiting the basement of New York's Metropolitan Museum of Art.

I asked Chancellor Bruno Kreisky, shrewd, popular chief of government, to what he attributed Austrian stability in a foundering world. He said: "I am a relatively old man who was deeply impressed in youth by massive unemployment and its political consequences. I always resolved not to allow unemployment to grow again."

"It is more expensive to have 100,000 unemployed than to keep them working. In 1974 we, as a Socialist government, began a series of measures which private enterprise didn't like. Thus the government went into the market and helped people build houses. At the same time we concentrated on developing state resources."

"Our trade policy has helped balance high costs of imported oil. To pay for this we export increas-

ingly to the Arabs. And we have developed more professional schools during the past decade than in all our previous history.

These educated youths for the skilled labor market. That's why General Motors is bringing a plant here — because of our skilled labor pool. All this reduces the danger of unemployed youngsters.

"We have no fundamental social crises. We are creating our own version of West Germany's labor-capital formula and our unemployment and inflation rates remain low. Look at the rest of the world. Right now our greatest problem is excessively high American interest rates and their global repercussions."

©1981, International Herald Tribune

Shares of Screwsballs

Austria includes its small share of screwsballs from neo-Nazis to a handful of leftists. It is occasional-bly blemished by terrorist incidents, the latest incident being the bombing of the synagogue last week in Vienna.

©1981, International Herald Tribune

Vietnam Closes A Paper

Anthony Kitton

LONDON — The closure of Ho Chi Minh City's Tin Sang (Morning News) last month not only deprives Vietnam of its liveliest paper: it silences the last powerful non-Communist voice in Vietnamese daily life, and almost certainly indicates a hardening of the Communist Party's political line.

Tin Sang was an anomaly, and independent newspaper in a Socialist state. It was witty, unorthodox, and sometimes politely but piercingly critical of the regime.

Clear Purpose

But the paper had a clear purpose. Originally the most outspoken opponent of former President Thieu, Tin Sang had been closed in the early 1970s and its publisher, Ngo Cong Doc, forced into exile, where he remained until the Communist victory of April, 1975.

The staff were sympathetic to the new regime, but independently so; they saw their role as building a bridge between Saigon intellectuals and the middle class on one hand and the new Communist rulers of the country on the other.

Some senior figures, mostly with extensive wartime experience in the south, took a lenient view towards class questions, hoped for a slow approach to socialization of the southern economy, and looked to the West for foreign aid.

In theory the paper requested its own closure, having concluded that its "historic mission" was completed. This fragile fiction, however, is destroyed by the articles on the front page of the last edition.

Farewell Speech

One of them, a farewell speech to the paper's staff by Le Quang Chan, deputy chairman of Ho Chi Minh City People's Committee, combines unusually feeble praise with thinly disguised criticism.

After thanking Tin Sang for its "appreciable contribution to the implementation of government policies," Mr. Chan noted that the paper had reflected the views of "one segment of the masses, not something that the Communist Party usually considers laudable."

Mr. Chan's speech quickly turns to the real circumstances of Tin Sang's closure. "The country's enemies," said Mr. Chan, were still trying to "sabotage and hinder the people's progress."

Final Cause

The final cause of Tin Sang's death seems to have been the increasingly chilly political climate in Vietnam. As the Fifth Party Congress, scheduled for the end of the year, approaches, the party leadership, evidently fearful for its own position, is becoming less and less tolerant of criticism.

Victims of the police and their own country, where economic crisis has fueled dissatisfaction among the public and even in some segments of the party.

The fear that Tin Sang would provide a rallying point for dissenters both inside and outside its party might, then, have been its final nail in the paper's coffin.

©1981, The Guardian

Letters intended for publication should be addressed "Letters to the Editor," and must include the writer's address and signature. Priority is given to letters that are brief and do not request anonymity. Letters may be acknowledged all letters, but value the views of readers who submit them.

Letters

Mexican Oil Deal

The Washington Post editorial (Herald Tribune, Aug. 27) opposing the Department of Energy's purchase of Mexican oil for the Strategic Petroleum Reserve illogically draws a specific conclusion from a general observation. While it is certainly true generally that government intervention in the oil business is bad, it's illogical to conclude, as the Post did, that DOE's SPR purchase was bad. I believe these factors should have been considered:

The DOE is getting a market price for the oil produced from a neighboring country with huge, still to be developed reserves. The quality blend, 60 percent high-grade Isthmus and 40 percent lower-grade Maya, is better than the 50-50 percent blend that Pemex's commercial customers have been getting.

Prices are to be negotiated quarterly starting in 1982; hence DOE can walk away from the deal if it feels the price has become nonmarket, without having to defend U.S. immigration policy in so doing.

The "sole source" contract basis of the Pemex deal does not pose the threat of its becoming a precedent for further government purchases of this kind since "sole source" must be broadly accepted as being in the U.S. national interest.

helping Pemex to float its current \$1 billion-plus international loan package and to forget a former U.S. president's comment about Montezuma's revenge. LOUIS BLEY.

In the Nick of Time

As a regular, and I had thought unstopable, reader of the Herald Tribune, I must tell you that I read the issues of Aug. 29-30 and Aug. 31 with a sense of considerable relief.

Two articles, one by Philip Geyelin, "After the Dogfight," and the other by William Scott, "A START to End First-Srike Dan-

ger" convinced me that, contrary to my growing fears, the newspaper had not gone totally mad.

I refer to the rash of frightening juvenile articles written after the Libyan dogfight affair by the journalistic high priests of the right.

Joseph Kraft ballyhooed the "spoiler strategy" which he said not even "the silliest peacenik" could argue against. William F. Buckley Jr. smugged his usual obscurities about President Reagan proving he was not an "ambiguist." George Will and William Safire went further, putting on their leather jackets to join in the tough-guy act. Mr. Will's "tick of a stallion's tail" would keep Freudians happy for an hour on a dull

day. But Mr. Safire's "removal of a troublesome piece [Qadhafi] from the international chessboard" was most disgusting.

Since when does a hired wordsmith have the right to advocate homicide in the pages of a reputable daily? And, besides, isn't Mr. Safire the one who intones loudly at regular intervals about the sacrosanct virtues of clear, outspoken, unambiguous language? "Removal from the chessboard," indeed!

Thank God, then, for the Geyelins and Colby's, who actually think before they offer their contributions to understanding.

A A F K E F O R T U I N. Bern.

Herald Tribune masthead with names of John Hay Whitney (Chairman), Katharine Graham (Co-Chairman), Lee W. Huestner (Publisher), Philip M. Folsie (Executive Editor), Walter N. Wells (Editor), Robert K. McCabe (Deputy Editor), Stephen Klaidman (Chief Editorial Writer), Roland Pinson (Associate Publisher), René Bowdy (Director of Finance), Francis Desmonsons (Director of Circulation), and Richard H. Morgan (Director of Advertising).

Recognition Of Salvador Left Assailed

9 Latin Nations Cite France-Mexico Stand

Buenos Aires — Nine Latin American nations have issued a joint statement calling French and Mexican support of leftist groups in El Salvador a "very serious precedent" that could worsen the conflict in the Central American country.

A communiqué, released jointly by the nine nations on Wednesday, said that last week's statement by France and Mexico, "far from contributing to a solution to the problem by trying to bring it to international attention, promotes its worsening."

The communiqué was signed by the foreign ministers of Argentina, Bolivia, Chile, Colombia, Guatemala, Honduras, Paraguay, the Dominican Republic and Venezuela.

In a separate statement, Brazil also criticized France and Mexico, saying that recognition of Salvadoran guerrillas was the "type of statement that could constitute a dangerous precedent." But Foreign Ministry spokesman Bernardo Fortes said Brazil was not asked to sign the document approved by the other nine countries, although Brazil approved of it.

Mexico and France last week issued a joint statement saying that leftist opposition groups should have a voice in negotiations to achieve a political settlement to the conflict in which several guerrilla groups are trying to overthrow the ruling U.S.-backed junta.

The nine-nation communiqué said the statement by France and Mexico is a "tacit invitation to other foreign bodies to make statements in support of the subversive elements that are part of the crisis."

Carl Gustaf to Visit China

PEKING — King Carl XVI Gustaf of Sweden and Queen Silvia will make an official visit to China from Sept. 14 to 23, diplomatic sources said Wednesday. They will open a Swedish energy exhibition in Peking and visit the cities of Chengdu and Shanghai.

8 India Unions to Fight Bill to Ban Strikes

New Delhi — Eight unions have decided to join forces to fight the government's decision to ban strikes in essential services.

The unions, which owe allegiance to political parties that range from far left to extreme right, have formed a committee to fight a bill in Parliament that would bar strikes in such services as railroads, post offices, refineries and arms industries.

The legislation, which will be debated in the next few weeks, empowers the government to bar strikes for six months, with a provision to extend the ban for an additional six months. It prescribes summary trial for anyone inciting or participating in an illegal strike, and imprisonment and fines for those found guilty. The legislation

3 Die in Algerian Floods

Algiers — Floods killed 43 persons, including about 30 children, and injured at least 50 Wednesday in El Balma, about 6 miles (300 kilometers) south of Algiers, officials said.



A Salvadoran soldier takes a break while on patrol in a cemetery at La Union, El Salvador.

Francois Seydoux, French Diplomat, Dies

PARIS — Veteran French diplomat Francois Seydoux, 76, a key figure in Franco-German reconciliation after World War II, died Sunday in Paris.

Mr. Seydoux was born on Feb. 15, 1905, in Berlin, where his father was attached to the French Embassy. He returned to the city in a junior diplomatic capacity in the early 1930s and rose in rank there throughout the years preceding the outbreak of the war in 1939.

After serving as ambassador to Austria in 1955, Mr. Seydoux was appointed by De Gaulle as ambassador to Bonn as soon as the latter took power in 1958. Mr. Seydoux had an active role in the spectacular reconciliation that followed between France and Chancellor

Konrad Adenauer's West Germany. After a stint as France's representative to the North Atlantic Treaty Organization, Mr. Seydoux

OBITUARIES

again took over in Bonn from 1965 to 1970, after which he left active diplomatic service.

Tadeusz Baird

WARSAW (AP) — Tadeusz Baird, 53, one of Poland's most highly regarded composers of symphonic, chamber and vocal works, died Wednesday, the Polish news agency PAP reported Thursday.

Mr. Baird died shortly before the opening of the 25th annual Warsaw Autumn festival of contemporary music, which he was instrumental in founding. His youthful works were conventional, but in the late 1950s he emerged as one of the leaders of a Polish avant-garde that adopted more radical techniques of composition.

He composed many pieces including symphonies, chamber and vocal works and music dramas. He often relied on literary works for inspiration, giving his music a lyrical, romantic flavor. Among his best known works were "Colas Breugnot," "Lyric Suite," "Four Love Sonnets" (settings of Shakespeare), "Erotics," and "Tomorrow," an opera based on a story by Joseph Conrad.

Among the awards he had received were two Polish National Prizes, three first prizes from the UNESCO International Rostrum of Composers, the Warsaw Arts Prize and the Honegger Prize.

Ann Harding

LOS ANGELES (LAT) — Ann Harding, 79, whose restrained portrayals of upper-class heroines spanned three decades of a stage, screen and television career, died Tuesday after a long illness.

Miss Harding, who was born at Fort Sam Houston, Texas, moved to New York in her late teens to pursue an acting career. A year of searching for a chance in the theater finally paid off with the leading role in the play "Inheritors" in Greenwich Village.

Two years later, in 1923, she starred in the Broadway play "Tarnish," followed by leading roles in such plays as "Stolen Fruit," "The Woman Disputed" and "The Trial of Mary Dugan."

Miss Harding made her film debut in 1929, appearing in Philip Barry's "Paris Bound," followed by, among others, "Condemned," "The Flame Within" and "Biography of a Bachelor Girl." In 1937 she went to London to star in "Candida" on stage and to appear in a British film, "Love From a Stranger." Her later U.S. films included "It Happened on Fifth Avenue," "The Magnificent Yankee" and "The Man in the Gray Flannel Suit."

MOSCOW — Dissident Anatoly T. Marchenko, who has already served 15 years in labor camps and exile, has gone on trial on charges of anti-Soviet agitation, Tass said.

Mr. Marchenko, 44, was arrested in March. Tass did not give details of the latest charge against him. His book, "My Testimony," written in the 1960s, has been praised in the West as one of the best accounts of life in a labor camp since the Stalin era. He was first imprisoned at the age of 18.

The trial, which began Wednesday in Vladimir, 93 miles (150 kilometers) east of Moscow, is expected to last two or three days.

Trial of Dissident Is Begun in Russia

is intended to replace an ordinance containing similar provisions that was signed by President Sanjiva Reddy on July 27.

Although the unions have planned joint opposition within Parliament and big rallies outside, they concede that it is virtually impossible to block the bill because Prime Minister Indira Gandhi's Congress Party has a decisive legislative majority. Further, a major union, the Indian National Trade Union Congress, is affiliated with her party and is supporting the legislation.

"The ban on strikes is intended to shatter the trade union movement in India," said P. Rameswari, secretary of the Center of Indian Trade Unions, which is affiliated with the Marxist Communist Party of India. The party controls two state governments, those of West Bengal and Kerala, and both vehemently oppose the bill.

The government justifies the bill on the ground that opposition political parties were using strikes to undermine the government.

The All-India Trade Union Congress, which is affiliated with

Central American Nations to Seek Aid Jointly

By Alan Riding
New York Times Service

MEXICO CITY — With severe financial problems aggravating internal unrest, the countries of Central America are trying to bury some of their sharp political differences in the hope of obtaining urgently needed outside economic aid.

Although the governments of the region range from the pro-Cuban to rightist dictatorships, they have prepared a common position to be presented to the United States, Mexico, Venezuela and Canada, who are co-sponsors of a Caribbean basin development plan.

Specifically, Central America is asking for the transfer of \$20 billion worth of resources to the area by 1990, although this idea runs counter to the policies of the Reagan administration, which favors trade and private investment — rather than traditional economic aid — as the main components of the plan.

\$1 Billion Needed
Such is the regional crisis, however, that the six countries — Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica and Panama — need \$1 billion this year alone to maintain necessary imports and keep up payments on a total debt of more than \$8.5 billion.

As a result, although the Caribbean basin plan is intended to be a program for long-term social and economic development, it is now being viewed by Central America as a potential source of new credit with which to overcome the immediate crisis.

Without exception, every country in the region is having serious balance-of-payments difficulties, in most cases the result of low world coffee prices, higher oil import bills and flights of capital provoked by political unrest.

Panama, Nicaragua, Costa Rica and Honduras have been forced to seek renegotiation of their foreign debts, while El Salvador is being sustained by emergency American aid. Even Guatemala, which has the strongest economy in the area, has seen its reserves evaporate in recent months.

With all the regional economies

Terrorists Blamed In Ramstein Blast

WIESBADEN, West Germany — The Federal Criminal Office, after examining two letters claiming responsibility for the bombing of a U.S. air base, said Thursday it is convinced that the Red Army Faction guerrilla group is to blame.

The letters from the group, which is descended from the Baader-Meinhof gang, were sent to the West German news agency DPA on Wednesday. The blasts at Ramstein Air Base on Monday injured 20 persons; two U.S. Air Force officers who remained hospitalized were said to be well on their way to recovery.

An criminal office spokesman said that three bombs were used in the attack. Two exploded in or underneath a stolen Volkswagen with stolen U.S. forces license plates, while the third was flung into the building by the blast, but failed to explode.

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overwhelmingly dependent on foreign trade for internal growth, economic activity has slumped, while inflation and unemployment have risen. Only in Panama will per capita income grow slightly this year.

While economic problems were sparked by political violence in the late 1970s, the economic crisis is now blurring the ideological lines dividing the region. Nicaragua's revolutionary government, Costa Rica's democratic administration and Honduras's military regime all face essentially the same problems.

After the foreign ministers of Mexico, Venezuela, Canada and the United States met in the Bahamas in July and agreed to work together on a Caribbean basin plan, the Central American countries immediately began to consult on their most pressing economic needs.

According to diplomats, only Guatemala's rightist military government was reluctant to separate economic and political issues and repeatedly forced postponement of a regional foreign ministers' conference. Finally, the foreign ministers met Aug. 15 in Tegucigalpa, Honduras, with Guatemala represented only by its local ambassador.

But the diplomats believe Guatemala's resistance to involvement in the plan reflects the personal position of Foreign Minister Rafa-

el Castillo Valdez, and they pointed out that delegates from Guatemala's Economy Ministry participated enthusiastically at a meeting of technical working groups in Honduras last week.

At last week's session, a common Central American position was drawn up for presentation to the co-sponsors of the plan in Costa Rica next week. A meeting of the region's foreign ministers has also been provisionally scheduled in New York in late September before a high-level conference of donor and recipient nations.

In essence, Central America is calling for \$20 billion in credit over the next nine years, with \$15 billion of this to be dedicated to programs designed to stimulate regional cooperation and integration, particularly on energy questions. The balance would be for national programs, specifically balance-of-payments support.

Central America also favors formation of a permanent mechanism to channel official aid to the region along guidelines established at an annual meeting of donors and recipients that would also be attended by representatives of the World Bank, the Inter-American Development Bank, the Central American Bank for Economic Integration and the UN Economic Commission for Latin America.

But the emergence of a Central American position may highlight

the differences among the plan's co-sponsors. The Reagan administration originally saw the plan as an instrument for combating Cuban expansionism in the Caribbean basin, but Mexico agreed to participate only if the program included no military or political aid and excluded no countries, by which Mexico meant Nicaragua, Grenada and Cuba.

Although the Reagan administration sees the Caribbean basin as a single region, Central American economists have stressed the dramatically different problems affecting the Caribbean islands and Central America.

U.S. Resumes Flights Of SR-71 Over Korea

SEOUL — The United States has resumed flights of SR-71 reconnaissance planes over the Korean border, one week after North Korea fired a missile at one of the supersonic jets. South Korean Defense Minister Choo Young Bok says.

Mr. Choo told the South Korean parliament that one of the planes made a routine 25-minute flight near the border late Wednesday morning. The flight was apparently the first since North Korea unsuccessfully fired a Soviet-built surface-to-air missile at an SR-71 on Aug. 26.

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FTC Rejects Accord On Chrysler Repairs

By Merrill Brown
Washington Post Staff Writer

WASHINGTON — The Federal Trade Commission has rejected an agreement signed by Chrysler Corp. and the FTC's staff that would have resulted in Chrysler paying millions of dollars to consumers for the repair of engine damage in up to 58,000 cars, sources said.

The action is the first time in recent memory that the FTC has turned down an offer by a company to provide redress for consumers.

The agreement was disclosed by informed sources as the FTC issued a separate consent agreement with Chrysler, which requires the troubled automobile manufacturer to notify owners of 700,000 Japanese-made cars sold by Chrysler that special oil filters are needed to avoid another kind of engine damage. No money is involved in the deal, which was approved by the FTC and announced Wednesday.

Rejection of the other agreement — which has left key FTC staff members bitter and fearful of the agency's future direction — came on July 30 after FTC economists suggested that in order for consumers to solve the engine problem, they would have to switch from leaded to unleaded gasoline. Chrysler could have sent as much as \$7 million to consumers for the repairs. In fact, sources said the payments to consumers would have been almost totally paid for by Mitsubishi under a reimbursement agreement with Chrysler.

The decision is viewed by some FTC officials as symbolic of the agency's continuing hesitancy to bring tough cases that would disturb the business community and the Reagan administration.

James C. Miller 3d, an Office of Management and Budget official and staff director of the administration's regulatory reform task force, has been nominated to become chairman of the agency beginning later this month.

Although the rejected agreement was not disclosed because of commission confidentiality rules, former FTC chairman Michael Pertschuk dissented from the oil filter decision because of his concern about the rejected agreement.

That decision centers on early failures of balancer chains in up to 38,000 of Chrysler's Dodge Colts and Plymouth Arrows, which are built by Mitsubishi. The chains were developed to reduce engine wear by cutting vibration. The cars were sold during the 1976 and 1977 model years. Mr. Pertschuk wrote in a dissent released Wednesday with the decision.

"Chrysler failed to tell its customers of this problem after learning about it," Mr. Pertschuk wrote. He could not be reached for comment Wednesday.

Split by Party

At a meeting on July 29, the FTC was deadlocked on the Chrysler payment plan along party lines, with Mr. Pertschuk and Paul Rand Dixon, both Democrats, voting for acceptance of both agreements, and the acting chairman, David C. Clanton, and Patricia P. Bailey voting against. The next day an agreement was worked out to accept only the oil filter portion of the package.

While refusing to respond to questions on the agreement signed by Chrysler, Mr. Clanton said that "from the standpoint of what our resources are, and our legal duty must be, we can't expect manufacturers to become absolute guarantors for their cars."

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U.S. Public Employees Appeal to Voters in Settling Labor Disputes

By Bill Curry
Los Angeles Times Service

DENVER — Faced with tight-fisted politicians and prohibited from striking, many public employees in the United States are reluctantly turning to an unusual labor mediator — the voter.

In places as diverse as San Francisco and Muskogee, Okla., bargaining by ballot — known derisively to union members as "collective begging" — has become a frequent method of resolving labor disputes. Police, firefighters and other public employees are seeking at the ballot box everything from the right to bargain collectively to pay increases.

A legacy of the rising activism of public employees and taxpayer pressure to reduce government spending, bargaining by ballot will be the way of settling public employee disputes in the future, according to Herb Abshire, Denver's personnel director.

On Aug. 25, Denver voters, in the most recent ballot box bargaining, narrowly favored the city's 502 firefighters in a contract dispute with the city over the length of the workweek. The next day, officials in nearby Westminster disclosed that voters there would decide this fall whether police and firefighters should be granted collective bargaining status.

Case in Denver

The firefighters had asked voters to decide whether the city's offer of a 12.6-percent raise and a 56-hour workweek was fair. They took their case to the voters after an independent fact finder from the

American Arbitration Association ruled in favor of the city. The firefighters wanted a 12.4-percent raise, with all employees getting a raise, and the current 48-hour workweek. The city's proposal would have denied raises to two categories of employees.

Denver officials had hoped to save about \$2.5 million a year in an already tight budget and must now cut services elsewhere to accommodate the firefighters or raise taxes.

A low voter turnout — about 20 percent of registered voters — may have helped the firemen in an uphill battle, and most of their support came from blue-collar areas of the city.

Denver is one of the biggest cities in the United States with a formal procedure for taking a contract dispute to the ballot, but in Dallas, Houston and other major cities, police and firefighters have used long-standing petition laws to force referendums, with mixed results, on pay raises exceeding those offered by city officials.

Although bargaining by the ballot, primarily a Western phenomenon, is becoming more common, it is not necessarily becoming more popular. Labor loses most of the time. In San Francisco, only sewerage workers have won a contract dispute — for \$3-a-day premium pay — out of six deadlocks submitted to the voters.

Still, a public vote can sometimes make city officials more generous. In Denver, for example, city employees were given a 1980 pay raise of 6.9 percent, but after losing a November election to win collective bargaining status with the city, they were

granted 11.9-percent pay increases in 1981. "They want to quiet the natives," said Philip C. Grimes, Colorado director of the American Federation of State, County and Municipal Employees, "and it helps break the union."

Firefighters in Abilene, Texas, beat the City Council in an Aug. 8 vote on requiring 1.5 professional firemen for each 1,000 in the city's population. The council had wanted to reduce by 31 the number of paid firemen. Now the city fathers must hire 41 new ones.

"It deals with one aspect of a city's operation without considering its effect on other operations — what are the needs of our senior citizens, for example," said Harold J. Pumphrey of the Oklahoma Municipal League. "The public would be hard-pressed to develop a sufficient knowledge to weigh those things."

Both labor and city management officials agree that bargaining by the ballot is the result of increased militancy by public employees and increased resistance by elected officials to labor demands. Cities also resort to the ballot because they need to resolve an impasse with employee groups that cannot legally strike. That is how bargaining by the ballot came to Denver and a handful of other Colorado cities. Their approach is now seen as a model.

First, the public votes on whether municipal employees can organize to bargain with the city. In Denver, only the firefighters have won that right.

Then if contract negotiations break down, an outside fact finder — a professional mediator, for example — conducts an inquiry into disputed issues and makes a ruling. If one side rejects the findings, both proposals go to the voters. The side that rejected the findings pays for the election.

Arbitration is Preferred

"We prefer binding arbitration," said Ron Messer, president of the Denver firefighters, whose position is almost universally embraced by labor officials. "But without binding arbitration and the right to strike, that was the only other thing the best we could do is to go to the people."

"Once the finances are before the public, that's the end of that," said Kenneth Francis, director of employee relations at Pasadena, Calif., and president of the National Public Employer Relations Association. "The public seems to be resolving issues more along a conservative management approach more often."

In June, Pasadena voters changed the city charter to limit retirement cost-of-living increases for several public safety officers, a move that will save several millions of dollars over the years, Mr. Francis said. However, voters in Abilene, Texas, gave a 7-percent tax increase to help cover their increased fire costs.

But even when cities win an election they may still suffer. A year ago, Houston voters turned down a 19.6-percent raise for policemen, as well as raises for firefighters and city employees. This year, police retirements and resignations are at a record rate.

U.S., McDonnell Douglas Reported to Settle in Overseas Bribe Case

By Charles R. Babcock
Washington Post Service

WASHINGTON — The U.S. Justice Department has agreed to drop criminal charges of bribery against four top McDonnell Douglas Corp. executives in return for guilty pleas by the airplane builder, which will pay more than \$1.2 million in civil and criminal fines.

Sources familiar with the case said Wednesday that the McDonnell board of directors agreed after a meeting Tuesday to accept the proposed settlement after plea bargaining between the department and the defendants. The settlement is expected to be filed officially in federal court in Washington in the next week.

A lawyer familiar with the case said it was unprecedented for the government to make such a settle-

ment in a criminal case, especially where there has been no change in the facts or evidence.

The corporation and its executives were indicted in November, 1979, for making illegal payments to officials in Pakistan and other countries to ensure the sale of its DC-10 jetliners. It was the first case in which Justice officials approved criminal charges against company officials as well as the corporation.

Under the agreement, the St. Louis-based firm would plead guilty and pay fines on 10 counts of mail fraud, wire fraud and filing false statements with government agencies. Sources said the company also agreed to pay a \$1.2-million fine to settle a companion civil suit by the Justice Department.

In return, the government agreed to drop criminal charges against James S. McDonnell 3d, a vice president and son of the company's founder; John C. Brizendine, president of Douglas Air-

craft; Charles M. Forsyth, executive vice president of Douglas; and Sherman Pruitt Jr., a Douglas sales manager. A separate perjury count against Mr. Pruitt remains, sources said.

Plea bargaining efforts before the indictment stalled when the late J.S. McDonnell, the company chairman, vetoed a proposal that his firm plead no contest to a racketeering charge.

The current settlement talks became a center of controversy in June, when the two Justice attorneys assigned to the case complained that Associate Attorney General Rudolph W. Giuliani had met privately with a McDonnell attorney without their knowledge. The meeting was arranged by Sen. John C. Danforth, R-Mo., an internal Justice review cleared Mr. Giuliani of any im-

China Said to Settle in Overseas Bribe Case

propriety and the settlement talks continued. Mr. Giuliani, the department's No. 3 official, reportedly thought the handling of the McDonnell case was out of line.

China Said to Supply PLO With Weapons

BEIRUT — A Beirut newspaper said Thursday that China recently supplied the Palestine Liberation Organization with an unspecified quantity of medium and heavy weapons, ammunition and other military equipment.

Al-Liwa, which has good contacts with the guerrilla movement, said the supplies followed high-level military contacts between Peking and the PLO. A Palestinian spokesman declined to comment on the newspaper report.

At the time of the indictment, sources said the company executives were charged in addition to the company because the government of Pakistan had specifically banned the payment of commissions on the sale of the planes. The defendants, in turn, argued that the Pakistani government in fact knew that the payments would be made.

The fines McDonnell has agreed to pay are slightly less than the \$1.38 million that Control Data Corp., a Minneapolis-based computer firm, paid in April, 1978, in settling another overseas bribery case.

The McDonnell criminal fine, amounting to about \$55,000, on top of the \$1.2 million to settle the civil suit, sources said.

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• May 1982

Media in Washington

Foreign-Language Papers Losing Struggle Against English

By Peter Eng
Washington Post Service
WASHINGTON — At 6:30 every weekday morning...

nal (German-language), and perhaps five others in Korean.
It is a difficult job. Four of the 10 ethnic newspapers listed in the current city and suburban telephone books are, in fact, defunct...

or "will never be able to read a Chinese newspaper."
Most of the papers are weeklies. Circulations average 3,000 to 4,000, with most copies sold through subscriptions that cost about \$30 a year.

The editors of these newspapers say their papers perform a much-needed community service. The editor of the Metro Chinese Journal says that his publication helps this area's widely dispersed Chinese communicate with one another.

Dance

'Love and Death' Staged by Robert Cohan

By Noel Goodwin
International Herald Tribune
EDINBURGH — Figures of classical myth and popular legend are the main characters in "Dances of Love and Death," a new full-length production for London Contemporary Dance Theatre...

For one thing, it lacked slide projections intended as part of Norberto Chiesa's designs, which include black drapes suddenly stripped to white, a steep ramp to an upper level at the rear, and a raised side gallery for the musicians, conducted by Barrington Felming.

The standard of dancing is most magnificent, particularly by Kate Harrison as the enticing ghost of Cathy with Christopher Bennerman's Heathcliff, and Charlotte Kirkpatrick dreamily romantic as the awakened beauty requiring rather more than a kiss from Michael Small's elegant prince. Sibhan Davies conveys much of Iselt's transcendent passion for Patrick Harding-Tremer's doomed Tristan, but the latter part of their encounter, after discovery by King Mark, at present looks muddled and confusing.

Festivals
It's Rock-Throwing Time For Swiss Heavy Heavers

By Nino Lo Bello
International Herald Tribune
UNSPUNNEN, Switzerland — Any tourist who comes here at 8 a.m. on Sunday will think the Swiss have rocks in their heads.



The stone of Unspunnen.

Every 10 or 15 years in early September, the msclemen of the region come for a stone-throwing contest that has been going strong since 1805 (the most recent one took place in 1968). The particular stone in question weighs 183 pounds, and the hardy Swiss who take turns pitching the bulky boulder have a choice of using one hand or two. So far, in more than 175 years, no contestant is known to have competed with a single paw.

pick up the stone (which has the dates 1805 and 1905 carved into it to mark the first century of the game), raises it over his head and then heaves it into space. As it plies to earth, three judges amble out with tapes and make separate measurements. They confer. Then they announce the distance. Applause. Cheers.

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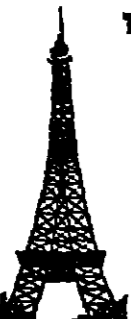
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BUSINESS NEWS BRIEFS

Plessey Reports Increase in Orders, Profits

LONDON — Plessey, the British electronics and appliances company, said Thursday that new orders in the quarter ended July 3 were up 17 percent from a year earlier to £1.25 billion.
In announcing an increase of 34 percent in pre-tax profits in the quarter, Plessey said the export content of its sales increased to £212 million from £207 million.
The company said most British subsidiaries, except microelectronics and components, showed continued profit improvement. Plessey said microelectronics and components suffered from the recession, with operating profit down to £1.49 million from £3.19 million a year earlier.

Ford Extends Its Cash-Refund Program

DETROIT — Ford Motor Co. said Thursday it is beefing up its pricing-cutting sales promotions by offering direct cash rebates of \$500 on three car lines.
Ford also said it is extending through Sept. 23 another sales promotion giving cash incentives of \$150 to \$1,000 on most of its cars. General Motors Corp. and Chrysler Corp. recently extended their special sales promotions to Sept. 23.
Ford previously had expressed reluctance to provide direct customer rebates on cars, but was forced to resort to that tactic because of competitive pressure. The Ford rebates will be on the Ford EXP, Mustang and Fairmont and the Mercury LN7, Capri and Zephyr.

Cadbury-Schweppes Optimistic About '81

LONDON — Cadbury-Schweppes improved 1981 interim profits provide an assurance that full-year results will show continued progress, Chairman Adrian Cadbury said Thursday.
The confectionery-soft drinks group reported an increase in pretax profits of 31 percent in the six months ended June 30. Cadbury said in a statement that an extraordinary shareholders meeting will be held Sept. 29 to increase authorized capital by £20 million through the creation of 80 million additional 25-pence shares.

Texaco Reports N. Dakota Natural Gas Find

DENVER — Texaco said Thursday the Red River 2-1 well in McKenzie County, N.D., was tested at a flow of 9.9 million cubic feet of natural gas and 179 barrels of condensate a day through a 21/64-inch choke from depths of more than 13,000 feet.
It said the well, which was drilled to 14,075 feet, made the find in a zone deeper than those now producing in the area, known as the Charlson field.
Texaco said it has a 66.5 percent working interest, while Amerasia Hess has 32.4 percent and North Central Oil 1.1 percent.

De Beers Closes Zaire Diamond Operations

LONDON — De Beers Mining Co. said Thursday it had closed its diamond operations in Zaire, which recently broke away from the South African company's virtual monopoly on world diamond sales.
Zaire, the largest producer of industrial diamonds, has started selling its output directly to dealers. A De Beers spokesman in London said the company was closing its office in Tshikapa in Southern Zaire, which bought diamonds from licensed diggers in southern Zaire amounting to about 2 million carats in 1980.

Bechtel to Build Resort in Malaysia

KOTA KINABALU, Malaysia — Bechtel International of San Francisco will build a \$500 million international tourist resort in Sabah state on the island of Borneo, Bechtel officials said Thursday.
Bechtel, an international engineering and construction firm, already has completed a feasibility study of a 20,000-acre coastal area 25 miles north of here, the officials said.

Paribas Leads in Bid to Limit French Nationalization Plan

By Paul Lewis
New York Times Service
PARIS — Sitting in the ornate room on the Rue d'Anin, where Napoleon married Josephine in 1796, Pierre Moussa, head of the Banque de Paris et des Pays Bas, worries about divorce.
If President Francois Mitterrand goes ahead with his commitment to nationalize all remaining French-owned private banks, then Paribas, as Mr. Moussa's dynamic investment bank is called, may well lose powerful foreign partners and customers.
"They are very nice about it, but they say they don't wish to have a French government institution as a major shareholder and business partner," Mr. Moussa said.
As a result, Mr. Moussa is leading a campaign by France's private investment banks to persuade the country's new leaders to exempt the banks' international operations and their industrial investments from the planned takeover.

Ties Threatened
Specifically, the private banks want to set up new operations to handle the foreign business and industrial investment while turning over ordinary French banking business to the government.
Mr. Moussa said that a number of U.S. and other foreign banks with which Paribas is associated have already warned that they would seek to end the relationship if the French government takes over.
These include A.G. Becker, a large U.S. investment bank in which Paribas has a 20-percent interest; S.G. Warburg, the big London merchant bank in which it has a 25-percent stake; and Sun Hung Kai, the largest Chinese-controlled bank in Hong Kong, in which Paribas has a 30-percent share.

U.S. Budget Cut Plan Fails to Lift Rate Gloom

By John M. Berry
Washington Post Service
WASHINGTON — The Reagan administration does not expect a sharp drop in interest rates as a result of its announcement that it will cut military spending to reduce future budget deficits and federal borrowing, officials say.
Administration economists believe rates have stayed near record levels for several reasons, only one of which — a fear of continued big deficits — could be affected quickly by the prospect that military spending will not increase as fast as expected. In the short run, one Reagan economist said Wednesday, the demand of credit will be great enough, compared to what is made available by the Federal Reserve, to keep rates high.
Willard Butcher, chairman of Chase Manhattan Bank, summed up the attitude of many market participants when he predicted that "interest rates will remain high for several years" as the government continues to fight inflation. Mr. Butcher, speaking to a Canadian audience, said he sees continued "upward pressure on rates partly because of the need by the administration to finance 'substantial deficits' in the years ahead.
Nevertheless, bankers and analysts widely praised the announcement that planned military spending might be cut \$10 billion in fiscal 1982 and as much as \$30 billion in fiscal 1984, when President Reagan has promised to balance the budget — though most of them added a note of skepticism.
The chairman of Manufacturers Hanover Bank, John F. McGillicuddy, declared in a Tokyo speech, "From where I stand, only real and widely perceived progress in reducing the federal deficit is going to overcome unfavorable market psychology and hesitancy on the part of investors. I am encouraged, therefore, to learn that the administration is bringing new scrutiny to the proposed arms buildup as well as preparing another round of non-defense cutbacks."
Allen Sinai of Data Resources, an economic forecasting firm, predicted, "The panic in the markets will be arrested now by what is being talked about." But only as the cuts actually come into effect will short-term interest rates come down substantially, he cautioned.
Meanwhile, the dismay of the administration at the continued high level of rates was underscored

by Mr. Reagan in an interview published by Fortune magazine.
Asked about remarks by Treasury Secretary Donald T. Regan that interest rates were too high, Mr. Reagan replied, "I think what Don was saying was that we can have and should have some loosening of interest rates because they're now contributing to the inflation we're trying to cure."
Was the president saying that himself, he was asked? "Yes," Mr. Reagan said. "I'm willing to say it. But we can't dictate to the Fed."
Mr. Reagan did not address the question of how to achieve lower interest rates while continuing a tight monetary policy, which the administration has encouraged the Federal Reserve to pursue.
Mr. Sinai estimated that cutting \$10 billion off military outlays next year could cause short-term interest rates to fall by 1 percentage point or more in addition to what he actually came into effect. But, he added, such a cut would mean a somewhat weaker economy in 1982 — an assertion administration economists are not prepared to accept.

Two Alberta oil sands plants, the Alsands consortium led by Shell Canada of Toronto and the Cold Creek project, led by Imperial Oil of Toronto, have been stalled by the 16-month dispute.
The Alberta government had refused to authorize the projects, each valued at about \$12 billion, until it reached agreement with the federal administration. Both are now likely to go ahead, Mr. Squires said.

Alsands Awaits Agreement
CALGARY (Reuters) — Alsands needs to have the basis of an agreement within four to six weeks in order to start preliminary work by December, a spokesman said.
Issues such as price, royalties, taxes, guarantees on market access and labor requirements remain to be negotiated with the Alberta and federal governments, he said.



Pierre Moussa
Facing a loss of partners and customers

Many French businessmen are critical of the government's bank nationalization plans. "It is not in French interests because a state-owned bank doesn't have the same opportunities in international business as a private one," said Mr. Moussa, pointing out that the three big French nationalized banks, Crédit Lyonnais, Banque Nationale de Paris and Société

Prices on Wall Street Skid on Deficit Fears

NEW YORK — Concern about the size of the U.S. budget deficit Thursday sent prices on the New York Stock Exchange spiraling down to their lowest level since June, 1980, with losses recorded in almost every sector.
The Dow Jones industrial average drifted in a narrow range all morning but lost ground quickly in the afternoon to close off 17.23 at 867.01, its lowest point since June 10, 1980, when it hit 864.08. Declines led advances, 1,108 to 275, with volume up to 41.73 million shares from the 37.57 million traded Wednesday.
Prices were sharply lower on the American Stock Exchange as well. Analysts said investors were increasingly gloom about the economic outlook, particularly the size of the budget deficit.
Wall Street is skeptical that the government will be able to meet its deficit objectives without further spending cuts.
Chester Pado of G. Tsai & Co. said investors also became disappointed when buyers did not enter the market at the 880 level of the Dow Jones average, a point where stocks were expected to stage a technical rally. The lack of support caused another wave of selling.

The Federal Reserve, which last week reported a larger-than-expected money supply decline, disappointed many investors by giving indications it was not about to ease credit in its battle against inflation, which rose a month ago.
The Fed signaled its intentions by allowing the rates banks charge one another for overnight loans to rise significantly the past couple of days.
Morgan Guaranty Trust, in a survey released Thursday, said there is little prospect for a recession in the United States in coming months.
"With interest rates historically very high, despite some recent easing, there clearly is a risk that the economy could weaken suddenly and dramatically. But the odds are against that happening," it said.
In addition, "the backlog of unmet needs — in housing, cars, business investment — that has accumulated during the last two years of subpar economic performance holds major potential for future economic growth," the report said.
The Investment Company Institute said Thursday that assets in money market funds rose \$2.2 billion to \$150.3 billion in the week ended Wednesday. The ICI said it was the first time that fund assets exceeded \$150 billion.

Earnings Fall At BP, Agip
LONDON — Two of Western Europe's leading oil companies Thursday reported a sharp deterioration in earnings, and both said the strength of the U.S. dollar was partly to blame.
British Petroleum, the world's fifth largest oil company, said its profits in the first half of this year fell 32 percent to £596 million from £876 million in the same period last year.
With inflation taken into account, BP lost £23 million in the first six months, compared with a £278 million profit in the first half of 1980.
In Milan, the Italian state oil company Agip, a unit of the state energy group ENI, reported a half-year loss of 125 billion lire (\$103 million), compared with a profit of 122 billion lire in all of 1980.
Both companies said the deterioration was partly the result of the surge of the dollar pushing up the cost of the crude oil they had to buy.
BP said the cost of its oil in dollars had fallen slightly in the second quarter of 1981, but when converted into other currencies this cost had risen substantially. The dollar has increased an average of 20 percent against leading currencies this year.
Because of slack demand in its sales markets, BP was unable to recover these increased costs. Its second quarter profit was £201 million, only about half its first quarter profit.
Refining operations throughout Western Europe have been in a slump, with prices of many products well below the cost of producing them. BP said its sales of oil products, such as furnace oils, had fallen 9 percent because of low demand.

Canadian Businessmen Hail Oil Pricing Pact

TORONTO — Despite some reservations within the oil industry, Canadian business leaders hailed this week's energy pricing agreement between the federal government and the major oil-producing province of Alberta and expressed hope that it will be a catalyst to the faltering economy.
The 16-month dispute put a damper on the nation's oil industry. Major energy projects were postponed, and uncertainty about the course of Canadian energy policy has tended to depress the Canadian dollar.
C. William Daniel, president and chief executive officer of Shell Canada, echoing the view of other businessmen interviewed, called the agreement between the federal and provincial governments "the best news the Canadians have heard in years." He said the settle-

ment of the oil-pricing dispute will give the economy a strong boost.
Forrest Rogers, economic adviser to the Toronto Dominion Bank, said the agreement "should be helpful in a broad variety of ways," a major advantage being the impact on federal revenues. In this regard, Finance Minister Allan J. MacEachern said in Ottawa that the agreement reduced the need for increased personal income taxes.
Under the agreement between the federal government and the government of Alberta, which accounts for more than 90 percent of Canadian oil production, the federal share of revenues from oil and gas is to be increased to 29 percent from 10 percent. Alberta's share would drop to 34 percent from 45 percent, and the industry share would drop to 37 percent from 45 percent.

Despite the initial euphoria, however, an undercurrent of dissatisfaction became evident as analysts studied the agreement's effects upon the oil industry.
Ian R. Smyth, executive director of the Canadian Petroleum Association, said that a preliminary study of the complex agreement showed that "well over 90 percent of the energy price increase will go to government. Where do we get the cash flow for development?"
The agreement will provide an estimated \$4.3 billion Canadian dollars (\$45.25 billion in revenues for Ottawa, 64.3 billion in Canadian dollars for Alberta and 94.2 billion for the oil industry between now and the end of 1986, when the agreement expires.
Alex Squires, energy analyst for Pitfield Mackay Ross Ltd., a Toronto investment firm, said that a provision in the agreement for a two-tier price structure will have widely different revenue effects on different companies.
Under the agreement, the price of currently produced "old oil" — that is, oil discovered before last Jan. 1 — will rise to 75 percent of the world price by mid-1986, while the price of "new oil" — from new fields, oil sands and the Arctic frontier — will rise to the world price.
The current before-tax domestic price of Canadian crude oil is less than half the weighted average international price of \$34.13 a 42-gallon barrel.
Mr. Squires said that the 75-percent figure, which will affect mostly the major integrated companies that are largely foreign-controlled, "seems inadequate. It will likely result in a decline in cash flow from old oil," he said. However, the newer companies, and the established concerns that find oil in the future, stand to benefit.
Two Alberta oil sands plants, the Alsands consortium led by Shell Canada of Toronto and the Cold Creek project, led by Imperial Oil of Toronto, have been stalled by the 16-month dispute.
The Alberta government had refused to authorize the projects, each valued at about \$12 billion, until it reached agreement with the federal administration. Both are now likely to go ahead, Mr. Squires said.

Corning Glass Plans to Sell Interest in Owens-Corning

CORNING, N.Y. — The Corning Glass Works announced Thursday that it has abandoned efforts to merge with Owens-Corning Fiberglas and that it will sell its 53.9-percent interest in Owens-Corning, worth more than \$182 million.
James Burt, vice president of investor relations for Corning Glass, said his firm had held preliminary talks with the U.S. Department of Justice to determine if the department's antitrust regulators would allow a merger, and had also had informal discussions with Owens-Corning about such a merger.
Mr. Burt declined to say whether federal objections played a role in the decision to end the merger talks, but added, "I suspect it was more the feelings of the two companies."
Mr. Burt noted that the 23.9-percent stake in Owens-Corning is the largest single block of stock in the Ohio-based company, and added, "We would certainly expect to get a premium over market."

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COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

Company	1981	1980
Britain		
British Petroleum	1981	1980
Revenue	5,092	5,092
Profits	201.0	371.0
Per Share	0.124	0.225
1st Half	1981	1980
Revenue	11,540	10,200
Profits	594.0	576.0
Per Share	0.267	0.554
Canada		
Canadian Imperial Bank	1981	1980
Revenue	2,390	1,600
Profits	85.7	39.8
Per Share	1.82	1.12
1st Half	1981	1980
Revenue	4,300	4,660
Profits	225.9	133.2
Per Share	1.54	3.40
Hong Kong		
Cheung Kong Holdings	1981	1980
Revenue	546.7	745.9
Profits	46.7	145.9
Hutchinson Whampoa	1981	1980
Revenue	352.2	245.2
Profits	35.2	24.5
Japan		
Sekisui Prefab Homes	1981	1980
Revenue	212,600	211,600
Profits	6,850	6,820
Norway		
Statoll	1981	1980
Revenue	6,000	3,600
Profits	220	50
United States		
Litton Industries	1981	1980
Revenue	1,210	1,100
Profits	84.79	78.29
Per Share	2.16	1.96
1st Half	1981	1980
Revenue	4,260	4,250
Profits	275.17	275.17
Per Share	7.63	6.87

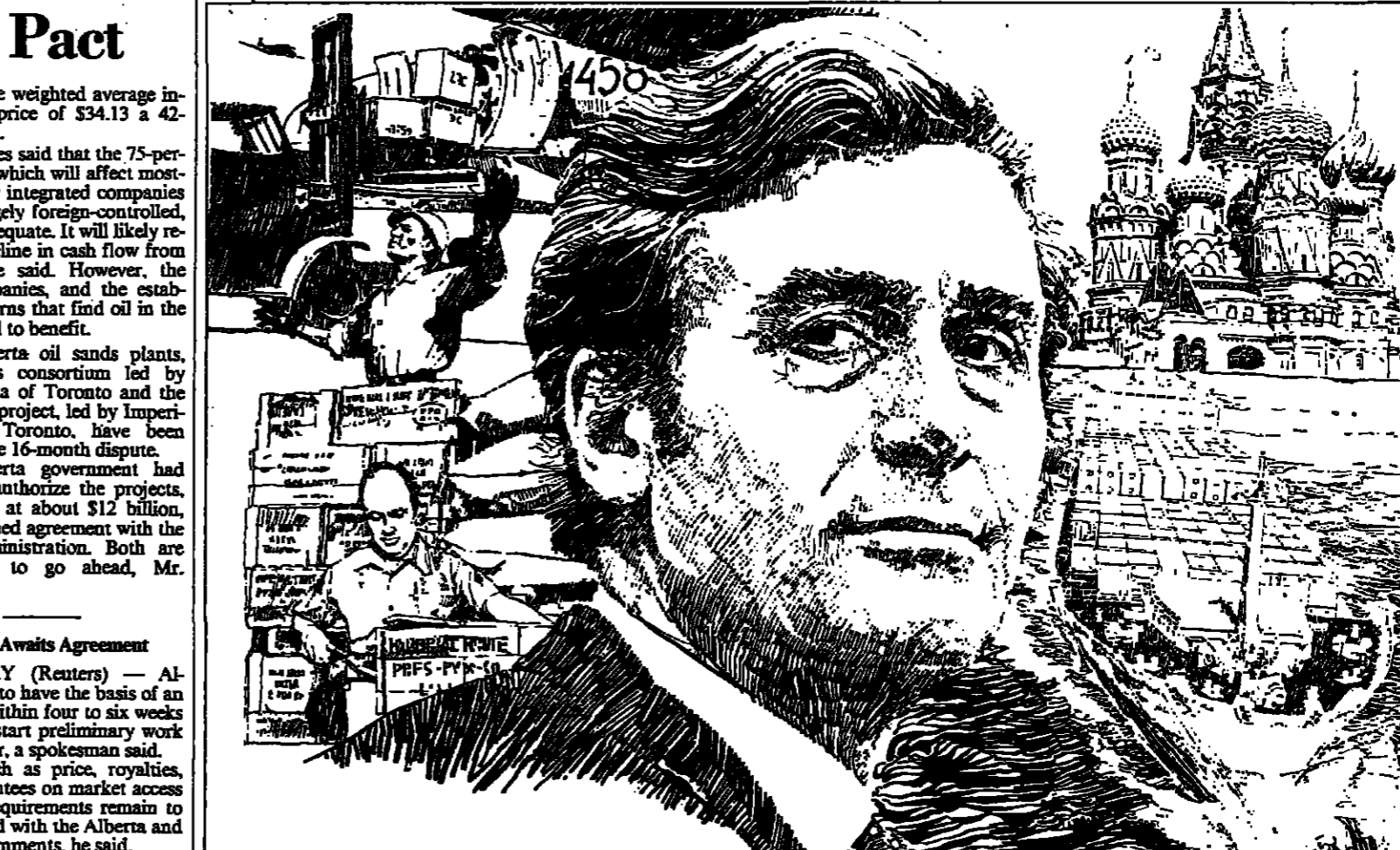
CURRENCY RATES

Interbank exchange rates for Sept. 3, 1981, excluding bank service charges.

City	Rate
Amsterdam	2.4915
Berlin	2.2754
Frankfurt	2.2235
London (a)	1.5884
Holland	1.2120
New York	1.0000
Paris	5.4775
Zurich	2.12
ECU	1.9345

Dollar Values

Country	Rate
Argentina	1.1495
Australia	0.8221
Belgium (a)	0.0221
Canada	0.2365
Denmark	0.1374
Finland	0.2207
French franc	0.0149
West Germany	0.1483
Italy	1.364



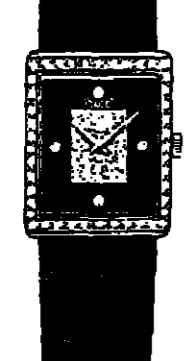
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Toronto Stocks

Closing Prices, September 2, 1981

High Low Close	High Low Close	High Low Close
3200 Dorton 1 570 716 716 + 1/2	1727 S Sears A 646 646 646 - 1/4	12750 Southern 531 531 531 - 1/4
15750 Dorence A 510 510 510 - 1/4	15252 Blacore A 526 526 526 - 1/4	15252 Blacore A 526 526 526 - 1/4
15252 Blacore A 526 526 526 - 1/4	15252 Blacore A 526 526 526 - 1/4	15252 Blacore A 526 526 526 - 1/4

NYSE Nationwide Trading Closing Prices Sept. 3

Tables include the nationwide prices up to the closing on Wall Street.

12 Month High Low Div. In % Yld. P/E 100s. High Low Quot. Close	12 Month High Low Div. In % Yld. P/E 100s. High Low Quot. Close	12 Month High Low Div. In % Yld. P/E 100s. High Low Quot. Close
12750 Southern 531 531 531 - 1/4	15252 Blacore A 526 526 526 - 1/4	15252 Blacore A 526 526 526 - 1/4
15252 Blacore A 526 526 526 - 1/4	15252 Blacore A 526 526 526 - 1/4	15252 Blacore A 526 526 526 - 1/4

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Write A.A. Simas, Jr.,
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AMEX Nationwide Trading Closing Prices Sept. 3

Tables include the nationwide prices up to the closing on Wall Street.

Main table of AMEX Nationwide Trading Closing Prices Sept. 3, listing various stocks and their prices.

Chicago Futures

September 3, 1961

Chicago Futures table listing prices for Wheat, Corn, Soybean Meal, Soybean Oil, and Cattle.

U.S. COMMODITY PRICES

U.S. Commodity Prices table listing prices for Pork Bellies, Fresh Producers, Lumber, and various oils.

New York Futures

September 3, 1961

New York Futures table listing prices for PLYWOOD, MAINE POTATOES, and various commodities.

London Metals Market

(Prices in sterling per metric ton)

London Metals Market table listing prices for Copper, Lead, Zinc, and Tin.

International Monetary Market

(Prices in U.S. dollars per metric ton)

International Monetary Market table listing exchange rates for various currencies.

Paris Commodities

(Prices in French francs per metric ton)

Paris Commodities table listing prices for various commodities in Paris.

European Stock Markets

(Closing prices in local currencies)

European Stock Markets table listing stock prices in Amsterdam, Brussels, Frankfurt, London, and Zurich.

Market Summary

NYSE Most Actives

Market Summary table listing NYSE Most Actives and Dow Jones Averages.

Dow Jones Averages

Dow Jones Averages table listing various market indices.

Standard & Poor's

Standard & Poor's table listing stock prices.

NYSE Index

NYSE Index table listing market data.

Odd-Lot Trading in N.Y.

Odd-Lot Trading in N.Y. table listing trading volumes.

American Most Actives

American Most Actives table listing active stocks.

AMEX Index

AMEX Index table listing market data.

FUTURES DOW JONES

FUTURES DOW JONES table listing futures prices.

PERSON, HOLDING & PERSONAL

PERSON, HOLDING & PERSONAL table listing financial data.

INTERNATIONAL INCOME FUND

INTERNATIONAL INCOME FUND advertisement providing details about the investment fund.

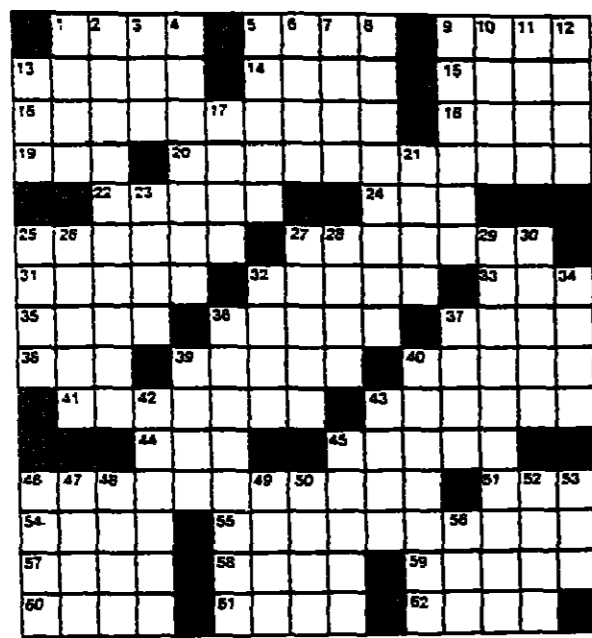
FOR A MAXIMUM RETURN ON TIME INVESTED. International Herald Tribune advertisement.

Thursday's New Highs and Lows

Thursday's New Highs and Lows table listing stock price movements.

CROSSWORD

By Eugene T. Maleska



- ACROSS
1 'A door is not a door when it's...
5 Pamphleteer of '76
9 Alaskan cape
13 Accustom
14 Good
15 Dies...
16 Pavlovian response
18 Umpire's decision
19 Witch bird
20 She wrote "The Ponder Heart"
22 ...surface
24 Lizzie's antecedent
25 Core: Comb. form
27 Elias of literature
31 Sackcloth's partner
32 Buffalo hockey pro
33 City in Paraguay
35 Rue de la...
36 Location of 35
37 Pollution problem
38 C.I.O.'s partner
39 Restricted, as a neighborhood
40 One of Ma Bell's brood
41 Looks up to
43 Spanish laborers

WEATHER

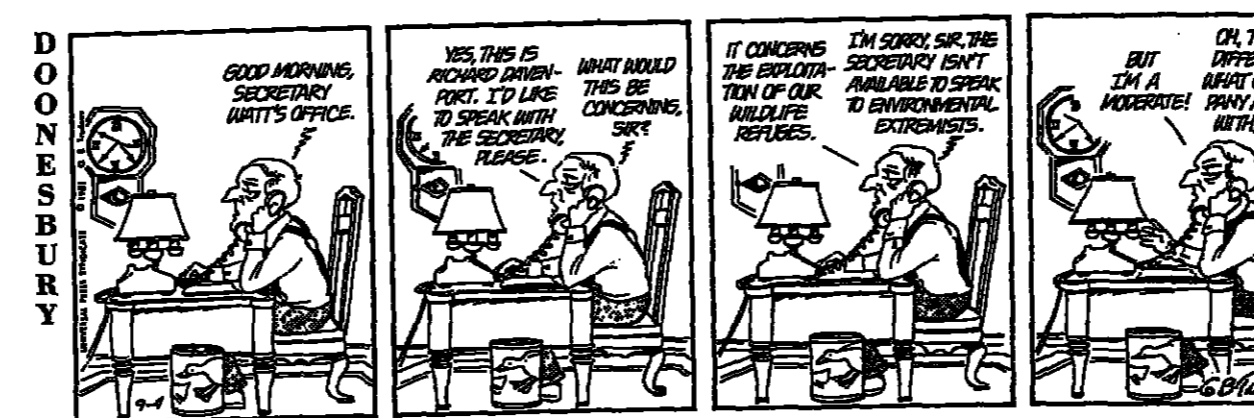
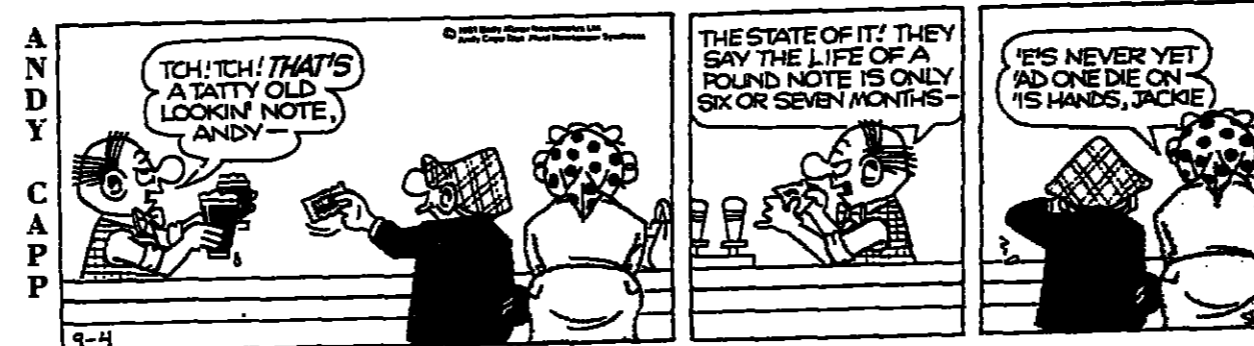
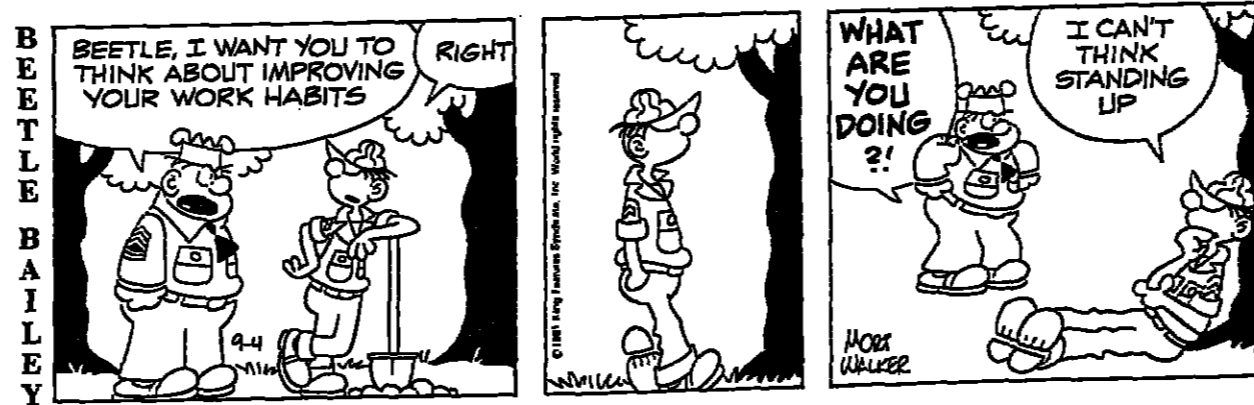
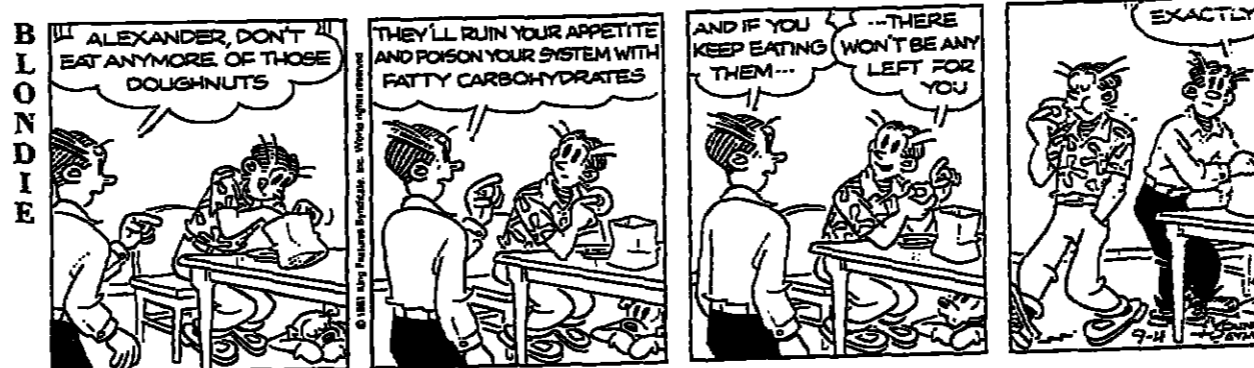
Table with columns for location, high, low, and weather conditions. Locations include ALGARVE, ALGERIA, AMSTERDAM, ANKARA, ATHENS, AUCKLAND, BANGKOK, BEIRUT, BELGRADE, BERLIN, BOSTON, BRUSSELS, BUCHAREST, BUDAPEST, BUENOS AIRES, CAIRO, CAGAYAN, CHICAGO, COPENHAGEN, COSTA RICA, DAMASCUS, DUBLIN, EDINBURGH, FLORENCE, FRANKFURT, GENOVA, HELSINKI, HONG KONG, HOUSTON, ISTANBUL, JERUSALEM, LAS PALMAS, LIMA, LISBON, LONDON, LOS ANGELES.

Readings from the previous 24 hours.

INTERNATIONAL FUNDS

September 3 1981

Table listing various international funds and their values. Includes sections for 'Other Funds', 'CREDIT SUISSE', 'DI INVESTMENT FRANKFURT', 'FIDELITY FUND', 'G.T. MANAGEMENT LTD', 'INVESTMENT INCOME FUND', 'JARDINE FLEMING', 'LLOYD BANK INTL', 'RBC INVESTMENT MGRS', 'ROTSCHILD ASSET MGMT', 'SOPID GROUPE GENEVA', 'SWISS BANK CORP', 'UNION BANK OF SWITZERLAND', 'UNION INVESTMENT FRANKFURT'.



JUMBLE: Unscramble these four Jumbles, one letter to each square, to form four ordinary words. DENNIS THE MENACE: Dennis the Menace is in a hurry to get home to clean his fingernails.

BOOKS

DIPLOMATS IN BUCKSKINS: A History of Indian Delegations in Washington City. By Herman J. Viola. 233 pp. \$17.50. Smithsonian Institution Press, 900 Jefferson Drive, S.W., Washington D.C. 20560.

Reviewed by Robert L. Beisner. FOR nearly 200 years groups of Americans have been descending upon Washington, hoping to secure something valuable, whether lower interest rates, higher veterans' benefits, or perhaps only assurance that the rascals hadn't really dismantled the public monuments to build marble palaces of their own.

Indefatigably researched, Viola's account is anecdotal rather than interpretive. In fact, the author often sidesteps important questions, but occasionally tries to answer them with remarks that such-and-such must have been generally true.

Readers should ignore Viola's attempts at discovering a Big Meaning, which are modest in any case, and just enjoy the wonderful illustrations and relax with the colorful minutiae, which are related in impetuous and clear English.

The pictures and narrative tell a fascinating tale: how the Indians, with their white agents, would cross the plains and mountains to see the Great Father in Washington.

Then the Indians would stay around town for a few weeks, bargaining with the Bureau of Indian Affairs and sometimes getting pawed at in the streets by rowdy white savages.

It is not always clear what Viola thinks the Indians and the Great Father expected of one another. On the one hand, the government feared the

What were those returning Indian things who shucked their "civilized" clothes before re-entering their home reservations? Why were others obsessed on coming back? Some of the greatest warriors of all - Tomcat, Cochise, Crazy Horse - steadily refused the president's hospitality, having divined its coercive intention.

BRIDGE

By Alan Truscott. ONE of the many areas in which traditional bidders and modern scientists disagree relates to actions by a responder after a takeout double.

It would be hard for them to appreciate that their best move would be to defend one club redoubled, a contract that would just succeed.

Consider for example the disgraced deal. If North had redoubled when his partner's bid of one club had been doubled, East-West would have been in trouble.

With a passive opening lead of a heart, South would have had no trouble in developing spades and making his contract. But West made the inspired selection of the diamond queen. South had to win with the king in dummy, and could not afford to lose a trick to East.

When the queen held, South returned to the heart king and led another spade, determined to lose a trick

BRIDGE hand analysis. Includes a diagram of a bridge hand with cards: NORTH (7, 10, 9, 2, 4, 3), WEST (K, 5, 9, 8, 7, 6, 5, 4, 3, 2), SOUTH (A, Q, 10, 9, 8, 7, 6, 5, 4, 3, 2), EAST (K, 5, 9, 8, 7, 6, 5, 4, 3, 2).

